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# Daily Report

# East Asia

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# Daily Report
## East Asia

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## ASEAN, EU Officials Upbeat on Meeting

*BK0605121695 Singapore THE STRAITS TIMES in English 5 May 95 p 1*

[Report by Irene Ngoo]

[FBIS Transcribed Text] The inaugural meeting of senior ASEAN and European Union officials, which ended here yesterday, has given a "positive new boost" to developing cooperative partnership between the two regions, said delegates.

Both sides gave an upbeat assessment of their two-day talks, saying that they now had a better understanding of each other's problems and concerns.

The Singapore meeting was a concrete follow-up to last September's ASEAN-EU ministerial gathering in Karlsruhe, Germany where they agreed to set new directions in their relations.

Delegates hailed their three-day talks at the Marina Mandarin Hotel as "frank, constructive, and fruitful."

Spokesman for ASEAN, Mr. Kishore Mahbubani, Permanent Secretary of the Singapore's Foreign Affairs Ministry, told a news briefing: "The meeting in Singapore has given a significant, positive new boost to our relationship and we are pleased that both ASEAN and EU see value in closer links between our two regions."

Mr. Claude Blanchemaison, speaking for the EU, added: "The meeting was very successful. We have set up a mechanism to strengthen our relationship."

A joint statement issued after the meeting said "there was a significant convergence of views" among the 120 top officials in their deliberations on a wide spectrum of political, economic, and security issues.

"The senior officials agreed that the ASEAN-EU economic links should be strengthened and new directions in cooperation between the two regions should be charted," it added.

### Structure for Summit Agreed Upon

In terms of concrete results, the officials agreed on the conceptual structure for the first-ever Asia-Europe leaders meeting, which will be held in Thailand in March.

Tentatively called the Asia-Europe Meeting (AEM), it was first proposed by Prime Minister Goh Chok Tong during his visit to France last October and became an ASEAN initiative.

Mr. Mahbubani said he was "amazed" at the "remarkable progress" that had had been achieved in the six months since Mr. Goh floated the idea.

This, he said, demonstrated the clear commitment from ASEAN and EU leaders to establish a link between the two most economically dynamic regions in the world.

The statement said the summit would "pave the way for a new era in relations between ASEAN and EU," and "contribute to international peace and stability and to the economic development of the two regions."

On the question of participation, Mr. Mahbubani said both ASEAN and EU officials would like the first gathering to be small. The core countries would include the 15 EU countries, the ASEAN six, and newcomer Vietnam plus China, Japan, and South Korea.

The Asian line-up is being left to ASEAN to decide. Hong Kong, Taiwan, Australia, New Zealand, and India have expressed interest.

Mr. Mahbubani said the key criteria for Asian participation was to include a sample of the "most economically dynamic countries of the region." Subsequent meetings could include more countries.

He said that Singapore supported Australia and New Zealand joining the first summit "but these decisions have to be made by consensus by ASEAN."

Officials also exchanged views on such contentious issues as human rights and labour standards, which had in the past ended in deadlock because of basic differences.

While both sides still held opposing views on these areas in their talks here, they agreed to disagree, in a clear departure from the confrontational style that had soured previous meetings.

On the EU's concern over labour rights in Asia, Mr. Mahbubani said both sides agreed that it could be better discussed in multilateral forums like the International Labour Organisation.

Officials also decided to form an Eminent Persons Group to draw up a blueprint for future ASEAN-EU relations and promote development in third countries.

They also reaffirmed their commitment to the multilateral trading system and the World Trade Organisation and to an "atmosphere of openness" in trade.

At yesterday's discussion on economic issues, the EU called for better access to the ASEAN financial services sector.

Malaysia's secretary general for foreign affairs, Tan Sri Ahmad Kamil Jaafar, said: "The banking sector in some ASEAN countries is still weak.

"If we allow big European banks to come in now, they will kill our banking industry. Give us time.

"A poor ASEAN will not make a rich EU."

## Quadrilateral Trade Meeting Held in Canada

### Focus on Services, Investment

*OW0605000195 Tokyo KYODO in English 2321 GMT 5 May 95*

[FBIS Transcribed Text] Whistler, Canada, May 5 KYODO — Trade ministers from four major powers called for better international rules on services and investment as they wrapped up three days of talks Friday [5 May].

"Services and investment are critical areas of economic activity," said Roy MacLaren, Canada's international trade minister and chairman of the "quadrilateral" meeting. "The improved rules and commitments that we are working to achieve can contribute enormously to trade liberalization and economic growth," he said.

The chairman's statement after the meeting of the Canadian, European Union (EU), Japanese and U.S. ministers also sought "an indication of further commitment on the part of China to the actions necessary to bring policy fully into line with the rules-based trading system."

The quad ministers "are prepared to respond to such an initiative by China," it said.

The informal talks were overshadowed by bilateral trade talks between U.S. Trade Representative Mickey Kantor and Japan's International Trade and Industry Minister, Ryutaro Hashimoto, that preceded and were to immediately follow the quad gathering.

Appearing miffed that a post-meeting news conference was dominated by auto-trade questions for the sparring Hashimoto and Kantor, European Commission Vice President Leon Brittan pointed to the quad commitment on investment, saying the media were missing the "huge importance" of the four-way talks.

"It is a problem for the media," which are "excessively focusing on the (auto) issue," Brittan said.

Canada's MacLaren, also looking irritated at being upstaged by the Japanese and U.S. ministers, noted the investment commitment and stressed the importance of "the impact of our discussions on future quad talks."

His chairman's statement said the quad ministers vowed a "collective commitment to the full implementation" of the Uruguay Round of global trade talks.

And spurred by January's launch of the World Trade Organization (WTO), they examined in their talks "how we might progress on the new generation of issues that must be addressed if we are to maintain the momentum of trade liberalization."

They discussed making "strong and credible" the fledgling WTO, which replaced the General Agreement on Tariffs and Trade, and they hailed as "one of the crowning achievements of the Uruguay Round" the creation of a trade dispute settlement understanding and an "appellate body" for resolving trade disagreements.

The ministers urged all parties to "improve their offers" on liberalizing financial services under the WTO, declaring a need for "substantial further progress" to meet their "strong shared commitment" to an agreement in the sector by the end of next month.

The quad ministers called for completing negotiations on basic telecommunications services by April 1996, agreeing that "the early liberalization within this sector of services, infrastructure and investment is the most effective way to promote a global information infrastructure."

To give "impetus" to the telecom talks, officials from the four powers will meet this fall to review the talks and examine obstacles to progressing, the chairman's statement said.

On investment, the ministers welcomed an Organization for Economic Cooperation and Development (OECD) "consensus to launch ambitious negotiations" toward a multilateral agreement.

They asked the OECD to consult with nonmembers on investment and allow the WTO secretariat to participate as an observer, calling on the WTO to launch its own investment discussions.

Responding to corporate complaints of "significant barriers" from national standards and regulations, particularly in information technology, the quad ministers agreed to pursue regulatory reform through such means as "mutual recognition agreements."

Hashimoto offered to make telephones, faxes and other telecom equipment a test case for such mutual recognition agreements, which would allow products that pass international certification standards in one country to enter other countries without subsequent approval, a Japanese newspaper reported Friday.

The ministers vowed to work in the OECD and elsewhere toward a "possible multilateral agreement to strengthen competition and trade principles worldwide," the statement said.

They agreed that progress is being made on making complementary trade and environmental rules and supported "analytical work on promoting labor standards."

### Chairman Issues Statement

*OW0605002995 Tokyo KYODO in English 2314 GMT 5 May 95*

[FBIS Transcribed Text] Whistler, Canada, May 5 KYODO — The following is the full text of a statement announced Friday [5 May] by Canadian International Trade Minister Roy MacLaren, who called a three-day meeting of trade ministers from the United States, Canada, Japan and European Union (EU):

**Chairman's Statement**

It has been less than six months since the coming into force of the Uruguay Round agreements and the establishment of the WTO [World Trade Organization]. Our discussions over the past two days have been motivated by a collective commitment to the full implementation of the agreements, to the consolidation of this new institution and to the conclusion of ongoing negotiations. We have looked beyond this agenda to how we might make progress on the new generation of issues that must be addressed if we are to maintain the momentum of trade liberalization. We have also looked beyond this meeting to the G-7 [Group of Seven] summit in Halifax and future multilateral meeting, including the 1996 WTO ministerial meeting.

We have discussed the actions necessary to build the WTO as a strong and credible institution. We intend to work vigorously with other members of the WTO to resolve outstanding issues regarding the mandate and resources of the secretariat so that it will be able to fulfil the role intended for it. This must include establishing an effective working relationship between the WTO, the IMF, the World Bank and other international institutions. We regard the dispute settlement understanding, with the appellate body to be created pursuant to it, as one of the crowning achievements of the Uruguay Round.

We discussed the importance of enhancing the transparency of the WTO and steps that could be taken to facilitate the public's understanding of the WTO and its operations, including in the area of dispute settlement. We recognize the need to continue to pursue this issue and to continue to make improvements.

The accession to the WTO of emerging economies and economies in transition was discussed. We look forward to their integration into the global trading system in accordance with the rules that apply to all WTO members. In this regard we exchanged views on the upcoming meeting with representatives of China. We are seeking an indication of further commitment on the part of China to the actions necessary to bring policy fully into line with the rules-based trading system. We are prepared to respond to such an initiative by China.

Services and investment are critical areas of economic activity and the improved rules and commitments that we are working to achieve can contribute enormously to trade liberalization and economic growth.

We reviewed current negotiations in services sectors (financial services, telecommunications, movement of persons, maritime transport services). We emphasize the need for substantial further progress in the financial services negotiations before the end of June. We reaffirmed our strong shared commitment to a successful completion of the process and urged all countries to make necessary and specific efforts to improve their offers so as to create the conditions for a liberal MFN [most favored nation] regime for financial services under the WTO.

We took note of the significant offers made in the negotiations for movement of persons and would consider additions to them in response to improved offers in other areas. We will work closely together in the weeks remaining to June 30 and are actively considering appropriate actions to bring these negotiations to a successful conclusion.

We recognize the importance of completing the negotiations on basic telecommunications services by April 1996. We agree that the early liberalization within this sector of services, infrastructure and investment is the most effective way to promote a global information infrastructure. This would help achieve the objectives jointly agreed at the February G-7 ministerial conference on the information society. To provide impetus to the negotiations, we have asked our officials to meet in the autumn to review the status of negotiations and to examine obstacles to their completion.

We welcome the consensus to launch ambitious negotiations in the oecd on a multilateral agreement in investment. Global investment flows have grown dramatically. A multilateral agreement would provide a comprehensive framework for international investment and would strengthen the international trading system. We will ask the oecd to consult with non-members during these negotiations and to provide observer status to the WTO secretariat. In view of the increased importance of investment flows globally, we call on our partners in the WTO to begin discussions on investment.

Businesses in all quad countries have told us that we must tackle the significant barriers that exist inside borders such as standards and regulations. The information technology industry, for example, is a sector that is hampered by differing standards on testing and certification.

We have agreed to pursue initiatives individually and jointly to address these barriers through such means as mutual recognition agreements. We are committed to continued regulatory reform. We regard this as an effective way for governments to promote growth, job creation and trade. We are pleased with the work done in the OECD in the area of regulatory reform and support further efforts there and elsewhere.

We discussed the impact on market access of domestic policies in the area of competition law. We have agreed that we should deepen our work in the OECD and elsewhere to bring us to a point where decisions can be made about a possible multilateral agreement to strengthen competition and trade principles worldwide.

Our discussions included a review of work underway in the OECD and the WTO on the relationship between rules in the areas of trade and environment. We are satisfied that progress is being made towards the objective of making rules in these areas complementary while not jeopardizing the goal of continued trade liberalization. We also took note of work underway in the OECD and the ILO [International Labor Organization] to examine the current mechanisms for the promotion of labour standards. We support this analytical work. We welcome the progress being made in the OECD on the issues at stake and believe that they deserve broader debated among world players.

The orientation of our discussions over the past two days reflects the emergence of new challenges for the trading system and new opportunities for trade liberalization. We do not intend to limit our future discussions to these sectors and issues as important as they may be. We will actively pursue elimination of remaining barriers and senior officials of the quad will study how this can best be gone.

As we look towards the future agenda for trade negotiations, the first WTO ministerial meeting in 1996 presents an opportunity to maintain the momentum of trade liberalization.

## Japan

### U.S. Urges Tokyo To Join Iran Embargo

*OW0905040095 Tokyo KYODO in English 0351 GMT 9 May 95*

[FBIS Transcribed Text] Tokyo, May 9 KYODO — The United States officially urged Japan Tuesday [9 May] to join a trade embargo against Iran in a bid to curb threats of terrorism, a Foreign Ministry official said.

U.S. Ambassador to Japan Walter Mondale made the call during a 15-minute meeting with Vice Foreign Minister Kunihiko Saito after outlining the executive order on the ban issued by the White House on Monday, the official said.

But the official declined to disclose further details of the U.S. request, such as whether the U.S. called on Japan not to provide yen loans to Iran.

Saito told Mondale that Japan wants to "study" the U.S. request further, the official said.

The Japanese Government will then make a reply to Washington, the official said.

The White House issued the executive order banning virtually all U.S. trade and investment with Iran in response to Iran's alleged support for international terrorism and intensified efforts to acquire weapons of mass destruction.

The order, which details policies that U.S. President Bill Clinton announced last week, prohibits trade with Iran, as well as trade financing, loans and related financial services.

On Monday, Saito told a news conference Japan has not yet made a decision on whether to go ahead with planned loans to Iran but that Japan believes a policy of isolating Iran "will not produce desired results."

"Whether or not Japan will continue to provide the loans is a matter under consideration," he said of the 45 billion yen portion of Official Development Assistance (ODA) to Tehran currently being withheld.

Japan considers it best to continue relations with Iran while conveying international concerns that it supports terrorism, Saito said, and extending necessary cooperation to Iran to help "realists" in the country gain more force.

Japan resumed the ODA program to Iran in May 1993, thawing an 18- year freeze on official lending to that country.

Tokyo provided 38.6 billion yen in credit as a first installment for a hydroelectric power project on the Karun river in southern Iran, and the decision on the second installment of the aid was expected to be made last summer but was postponed after U.S. calls to scrap the financing deal.

Saito said he does not think the differences in stance toward Iran will damage relations between Japan and the U.S.

Later in the day, Foreign Ministry spokesman Terusuke Terada said Japan will be making "detailed and careful" studies of the U.S. executive order by taking into consideration Japan's "policy toward Iran and our policy of securing a stable supply of petroleum."

Japan imports about 450,000 barrels of crude oil from Iran each day. Iran is the third largest exporter of oil to Japan, following the United Arab Emirates and Saudi Arabia.

### Saito Rejects U.S. Embargo Request

*OW0905123695 Tokyo ASAHI SHIMBUN in Japanese 9 May 95 Morning Edition p 3*

[FBIS Translated Text] President Clinton has announced a cutoff of all U.S. trade and investment with Iran. Commenting on the President's announcement of the U.S. embargo against Iran, Administrative Vice Foreign Minister Kunihiko Saito said, "The policy of isolating Iran will not turn Iran into the nation we wish for." In this way, he indicated that Tokyo would not go along with Washington on the trade and investment embargo against Iran. Asked how this rift between Tokyo and Washington over the embargo will affect Japan-U.S. relations, the administrative vice foreign minister said, "The rift will not worsen Japan-U.S. relations as long as Japan does not make a mistake in dealing with the embargo."

At the news conference, Saito went on to say: "For the Gulf region to remain stable, the existence of a moderate and realistic Iran is indispensable. There are realists in Iran, and it is necessary to help them gain power there. I believe this is the most proper method." On the resumption of yen loans to Iran, which has become a pending issue, he limited himself to saying, "We will continue to study it." In this way, he explained anew the Japanese Government's position on the U.S. embargo against Iran.

At a news conference held in Beijing, Prime Minister Tomiichi Murayama stated, "In Iran, while some forces sponsor terrorism, other forces move against it." Commenting on the prime minister's statement, the administrative vice minister said: "The Japanese Government has no hard evidence proving Iran's support of terrorism. It is true that deep concerns have been voiced about Iran's support of terrorism."

## Hashimoto on Iranian Oil, U.S. Auto Sanctions

*OW0905033395 Tokyo KYODO in English
0320 GMT 9 May 95*

[FBIS Transcribed Text] Tokyo, May 9 KYODO — The Ministry of International Trade and Industry (MITI) has not asked domestic oil or trading companies to curb their imports of Iranian oil, MITI Minister Ryutaro Hashimoto said Tuesday [9 May].

Denying a morning report in a leading business newspaper, Hashimoto told a regular news conference that MITI regularly consults and exchanges information with oil-related industries and that the issue of a U.S. ban on trade with Iran "has come up."

But the ministry has not sought any limits officially or unofficially, he said, denying the front-page NIHON KEIZAI SHIMBUN report that MITI has asked the oil and trading firms to limit their imports to current levels from Japan's No. 3 oil supplier.

On auto trade, Hashimoto again refused to say whether or not Japan would immediately file a complaint with the World Trade Organization (WTO) if the United States issues a list of targeted items for possible sanctions over ruptured bilateral auto talks.

Such a list, reportedly including luxury cars, is expected as early as Wednesday.

The government will take domestic action in line with international rules to help affected industries if "irrational" sanctions are imposed, Hashimoto said, without elaborating. He appeared to leave open such domestic moves as low-interest loans to help industries or firms hurt by the sanctions.

Hashimoto said he appealed for unity and got the support of other cabinet members in the face of trade pressure from Washington, saying he sought help to prevent a division between government and industry, between auto and auto parts makers and other industrial sectors and between MITI and other government bodies.

Pressure from other sectors will build on carmakers to meet U.S. demands for more foreign parts purchases, auto industry leader Yoshifumi Tsuji predicted Monday as he left a meeting with Hashimoto.

But Tsuji, acting chairman of the Japan Automobile Manufacturers Association and president of Nissan Motor Co., said the industry will stand firm and explain its refusal of the U.S. requests, even though it is being blamed for trade friction and upward pressure on the yen.

Hashimoto said he told MITI officials to explain Japan's stance on auto trade and expectations for the future to worried regional business leaders.

On the reported oil import-limit requests, he said, "Officially and unofficially, publicly and privately, at the current stage we have made no requests," adding only that routine contacts with the industry will continue.

The newspaper report said Japan is cautious about how much to support President Bill Clinton's U.S. ban on trade with Iran, but Hashimoto said the cabinet has not taken up the matter.

The most recent MITI figures show Iran supplied 10.9 percent of Japan's 161.59-million-barrel March crude oil imports and 9.4 percent of its fiscal 1994 import total of 736.12 million barrels. In each case Iran was the third biggest supplier, behind the United Arab Emirates and Saudi Arabia.

## Negotiators Seek Compromise on Auto Issue

*OW0905031395 Tokyo ASAHI SHIMBUN
in Japanese 8 May 95 Morning Edition p 2*

[FBIS Translated Text] If the United States applies sanctions, Japan will file a complaint with the World Trade Organization (WTO). Such a picture of bilateral confrontation is about to become reality as the recent auto and auto parts negotiations under the Japan-U.S. economic framework talks collapsed. However, since a communication channel is still open between the two nations, the search for a compromise is likely to continue, paving the way for the Japan-U.S. summit to be held during the Halifax summit (major industrialized nations' meeting) in June.

While U.S. Trade Representative Mickey Kantor says: "Japan has a list of our phone numbers," Ryutaro Hashimoto, international trade and industry minister, maintains: "If the United States stops insisting on its demand for increasing the purchase of foreign-made auto parts by Japanese automakers, an agreement is possible and we are ready to negotiate." The stance taken by each nation indicates that there is still a way to reach a last-ditch agreement despite the breakdown of the auto talks.

The Japan-U.S. summit will be held in mid-June following a ministerial board meeting of the Organization for Economic Cooperation and Development (OECD) at the end of May. With these diplomatic occasions, where Japanese and U.S. officials are to meet, a possibility for solving the auto issue is higher. As a matter of fact, considering the damage the failure of the auto talks would cause to Japan-U.S. relations, negotiators last April already discussed a scenario that, "even if U.S. sanction procedures intensify tension between Japan and the United States, efforts will be made to seek a compromise at the Japan-U.S. summit."

At the 7 May news conference held after his U.S. visit, Hashimoto made remarks to express his hope that United States will restrain its conduct regarding the auto issue. He said: "I hope that, if at all possible, no announcement of sanctions is made and no complaint with the WTO is filed."

## Political Leaders View Auto Talks Breakdown

### Kono: Settle Dispute 'Calmly'

*OW0905030295 Tokyo KYODO in English 0258 GMT 9 May 95*

[FBIS Transcribed Text] Tokyo, May 9 KYODO — Foreign Minister Yohei Kono said Tuesday [9 May] that Japan's dispute with the United States on auto and auto parts trade should be settled in a calm manner, without getting "emotional."

Kono told a press conference that he made the call during an informal meeting of ministers held after the regular cabinet meeting.

"This dispute is an economic problem, so negotiations will be held quietly, based on international rules at an appropriate place," Kono said. "This problem should not be taken up emotionally, but instead should be settled calmly."

On Monday, Prime Minister Tomiichi Murayama's cabinet reaffirmed that Japan will bring the auto dispute to the World Trade Organization (WTO) if the U.S. issues a list of Japanese items that would be subject to punitive tariffs under Section 301 of a U.S. trade law.

Kono said trade minister Ryutaro Hashimoto gave a detailed report during the meeting on his negotiations with U.S. Trade Representative Mickey Kantor last week.

The talks broke down as Japan refused to accept U.S. demands to boost the targets for voluntary purchase of foreign automotive products by Japanese automakers.

U.S. President Bill Clinton is expected to announce a list of economic sanctions against Japan as early as this week.

### Takemura: Expand Imports

*OW0905024095 Tokyo KYODO in English 0230 GMT 9 May 95*

[FBIS Transcribed Text] Tokyo, May 9 KYODO — Finance Minister Masayoshi Takemura stressed the need Tuesday [9 May] for efforts to expand Japanese imports of automobiles and auto parts to resolve the deadlocked auto talks between Japan and the United States.

Takemura said at a press conference after a regular cabinet meeting, "The government and the private sector must unite and try hard to expand imports of automobiles and their parts."

Takemura noted that, in a bid to combat the yen's rapid appreciation, Japan has already decided to expand domestic demand and imports, with the priority on those of autos and auto parts.

While expressing his support for the negotiating stance of International Trade and Industry Minister Ryutaro Hashimoto, Takemura called upon the entire Japanese Government to tackle the issues raised by the bilateral talks.

Takemura said that, because not only auto trade issues are at stake but also there may be an impact on the whole Japan-U.S. relationship, the Japanese Government as a whole must deal with the matter "from a broader perspective."

The bilateral auto talks are a thorny priority area under the Japan-U.S. trade framework negotiations. Late last week, Hashimoto and U.S. Trade Representative Mickey Kantor failed to agree during the talks, with Japan rejecting a U.S. demand for Japanese automakers to make voluntary purchasing plans of foreign auto parts.

### Murayama Urges Ministers To Unite

*OW0905060495 Tokyo NHK General Television Network in Japanese 0305 GMT 9 May 95*

[Announcer-read report over video; from the "NHK News" program]

[FBIS Translated Text] Prime Minister Murayama commented on how to deal with the situation following the breakdown of Japan-U.S. negotiations on the auto and auto parts sector at an informal discussion with cabinet members held after the cabinet meeting this morning. He directed the ministers concerned to unite with each other to study how to deal with the situation, including the possibility of appealing to the World Trade Organization [WTO].

At the meeting, Minister Hashimoto of the Ministry of International Trade and Industry [MITI] reported how last week's negotiations in Canada on the auto and auto parts sector failed, and said: If the United States announces a list of sanctions, Japan will bring a case before the WTO to settle the issue based on international rules.

In response, other ministers successively voiced their own views supporting Hashimoto's remarks. The cabinet members agreed to persistently act according to Japan's principles on the economic issue between Japan and the United States in terms of promoting free trade, while maintaining friendly relations with Washington.

Prime Minister Murayama then directed the ministries and agencies concerned to unite to deal with the situation, including studying the possibility of bringing a case to the WTO, and said: Since the issue should be brought to the WTO, Japan's deregulation measures would also be discussed, and in this sense, I hope the ministries concerned will actively come to grips with the issue.

In this way, Murayama urged each minister to make further efforts to promote market opening.

MITI Minister Hashimoto said: There is a possibility that a situation could arise in which relations between the government and industrial circles, and between industrial circles and the auto industry, and between MITI and other ministries or agencies, become divided, with the aim of having the government guide the auto industry toward accepting U.S. requests. The government needs to unite to deal with this issue.

Thus he indicated his view that it is necessary for the government and industrial circles to take concerted action, even if the United States applies pressure against Japan by announcing a "hit-list."

### Leaders 'Vow' To Take Auto Issue to WTO

*OW0905072195 Tokyo KYODO in English*
*0700 GMT 9 May 95*

[FBIS Transcribed Text] Tokyo, May 9 KYODO — Japanese leaders vow to bring possible U.S. sanctions over ruptured auto and auto parts trade talks to the world trade watchdog body, but say Tokyo will seek a negotiated settlement of the issue according to international rules.

Prime Minister Tomiichi Murayama told a ministerial conference Tuesday morning [9 May] that the government will try to settle the dispute on the basis of international rules, government officials said.

Murayama added Japan will take the case to the Geneva-based World Trade Organization (WTO) for a settlement through bilateral negotiations.

"If the United States submits a list of punitive measures, the case will be brought to the World Trade Organization," Murayama was quoted as saying.

"We will deal with the matter in accordance with international rules, and we will step up our efforts to relax regulations to avoid criticism that the Japanese community is closed," he said.

Washington threatened to impose punitive tariffs on Japanese imports after last-ditch efforts toward a breakthrough in the deadlocked negotiations failed over the weekend.

Foreign Minister Yohei Kono told a news conference Tuesday the dispute should be settled in a calm manner without getting emotional.

"This dispute is an economic problem, so negotiations will be held quietly, based on international rules at an appropriate place," he said, indicating Tokyo will bring the case to the WTO for a negotiated settlement.

Finance Minister Masayoshi Takemura supported the government stance but said both the government and the private sector should work together and try hard to expand automobile and auto parts imports.

He urged the government to tackle the auto issue and other matters raised in bilateral trade talks, saying they will have an impact on the overall relationship between Japan and the U.S.

In a related development, Jiro Ushio, chairman of the Japan Association of Corporate Executives (Keizai Doyukai), stressed the need for Japan to open its market wider to imports.

Ushio, chairman of lighting equipment maker Ushio Inc., told a news conference that the rupture of auto trade negotiations means Japan has decided to stick to the principles of free trade and a market economy.

Now that Japan has made a hard choice, it cannot but step up efforts to open its market, he added.

Japanese automobile industry leaders told Prime Minister Murayama there is little possibility for automakers to further expand their plans for procurement from overseas suppliers, officials said.

The officials said the report was made by Yoshifumi Tsuji, acting president of the Japan Automobile Manufacturers Association, and Keishin Kato, chairman of the Japan Automobile Dealers Association.

The two industry representatives were quoted as saying the Japanese automakers have already done their utmost in preparing purchase programs and they have no intention of further increasing their procurement from overseas suppliers.

They thanked the government for its efforts to solve the dispute with the United States, the officials said.

A senior executive of Japan's top automaker, Toyota Motor Corp., said the company has no intention of further expanding its procurement of auto parts from foreign suppliers.

Hiroshi Okuda, vice president of the company, told a news conference the company has no plan to ratchet up its overseas procurement program for fiscal 1996 nor will it prepare such a plan for fiscal 1997 and thereafter.

Okuda made the remark in response to a question about the ruptured Japan-U.S. talks on automobile and auto parts trade.

He said the company is expected to attain its pretax profit target of about 250 billion yen for fiscal 1994, which ended March 31.

He declined to comment on the company's profit outlook for the current fiscal year.

Kosaku Inaba, chairman of the Japan Chamber of Commerce and Industry, meanwhile, expressed hope for a negotiated settlement of the trade dispute.

He told a news conference there is still time for the U.S. to decide on retaliatory action against Japan and "I hope both sides will try to strike an agreement."

### Muto Asks Diet Panel To Study U.S. Issues

*OW0805105395 Tokyo KYODO in English 1044 GMT 8 May 95*

[FBIS Transcribed Text] Tokyo, May 8 KYODO — A senior legislator from the Liberal Democratic Party (LDP) proposed Monday forming a study group within the Diet to focus on ties with the United States in an effort to ward off bilateral trade disputes.

Kabun Muto, head of the LDP's Executive Council, told Prime Minister Tomiichi Murayama upon return from the U.S. the group could be modeled on the Japan study group that has been founded by U.S. legislators who have a special interest in bilateral relations.

Muto, a former foreign minister, stressed the need for better exchange between the two countries' legislatures given the recent collapse of framework trade talks in the automobile sector.

He added he hopes to gather some 20 Diet members from the three ruling coalition parties for the proposed league.

The idea for the parliamentarians' league was born when Muto met with members of the U.S. league, including Sen. Bill Bradley of New Jersey and Congressman Robert Matsui of California, both Democrats, during his recent trip to Washington.

Muto headed a delegation of ruling coalition party legislators to explain a Japanese Government package aimed at stemming the yen's rise against the dollar.

### Minister Matsuo Says Deregulation To Continue

*OW0805113495 Tokyo KYODO in English 1121 GMT 8 May 95*

[FBIS Transcribed Text] Tokyo, May 8 KYODO — Japan will continue deregulation over the next three-year period regardless of the breakdown of automobile and auto parts trade talks with the United States, Vice Transport Minister Michihiko Matsuo said Monday.

Matsuo told a news conference Japan has done its utmost to strike an agreement in the negotiations, such as reducing a list of auto parts subject to safety inspection and easing requirements for inspection of model changes.

These items have already been included in a three-year deregulation list prepared by the Transport Ministry, and the ministry will go ahead with the process regardless of U.S. responses to the ruptured negotiations, he said.

Matsuo suggested Japan and the U.S. may take all possible opportunities to make a breakthrough on the issue, such as the Halifax Summit of the Group of Seven industrial nations next month and a ministerial session of the Organization for Economic Cooperation and Development later this month.

Japan is ready to resume talks any time if Washington does not insist on a "voluntary" program for procurement of U.S.-made auto parts, he said.

### Editorial Urges Persistence in Auto Talks

*OW0805144495 Tokyo TOKYO SHIMBUN in Japanese 7 May 95 Morning Edition p 6*

[Editorial: "Tokyo, Washington Urged To Continue Efforts To Hold Dialogue"]

[FBIS Translated Text] The virtual breakdown of the Japan-U.S. negotiations on automobiles and auto parts is only one part of the broader aspects of Japan-U.S. relations. But the breakdown of the bilateral auto negotiations has the danger of sparking a deep-seated mutual mistrust between the two countries. We would like to urge both Tokyo and Washington not to give up on their efforts to break the deadlock in the negotiations.

The Japan-U.S. negotiations on automobiles and auto parts have moved on a worrisome course. We cannot help calling this course unfortunate. The differences between the two nations have been exposed as the negotiations have proceeded and the differences have developed into a serious confrontation between them that cannot be easily defused.

The stance taken by Japan in the auto negotiations is that it will only discuss ways to remove institutional barriers to Japan's imports with the United States. Japan has repeatedly insisted that the two nations confine their discussions to "matters within the government's reach" and the governments of the two countries not interfere in the business activities of private sectors in both countries. While agreeing in principle with Japan's stance, the United States has regarded Japan's insistence as a shrewd "evasion" hidden in principle.

In the auto negotiations, Japanese negotiators have consistently spurned the U.S. demand for increasing the purchase of foreign-made auto parts by Japanese automakers, claiming, "The U.S. demand is tantamount to seeking managed trade and we cannot go along with Washington on the demand from the principle of free market economics." The United States, which fully anticipated Japan's rejection of the U.S. demand, made the same demand in the latest ministerial talks. This deepened Tokyo's distrust of Washington and further hardened Japan's stance in the ministerial talks.

In the auto talks, American negotiators have taken a hard-line stance with Japan because they have attended the negotiations with a "result-oriented policy" that seeks certain guarantees. Behind this hard-line stance is a judgment made by the United States that many years of U.S. deficits in auto trade with Japan is the "villain" responsible for the wider trade imbalance between the two countries. The United States also has strong intentions of redressing the wide trade imbalance with Japan in the auto negotiations.

This U.S. view of Japan is corroborated by the similar view that Japan has been able to register a huge trade surplus with the United States because it maintains an economic system different from that of the United States.

Washington says: "In the past 25 years, cars Japan sold to the United States were 40 million units compared to only 400,000 units of American-built cars Japan bought. The imbalance in car trade between Japan and the United States amounts to $36.7 billion that accounts for more than 60 percent of the trade imbalance between the two countries." This account shows United States irritation with the trade imbalance with Japan.

In reaction to the breakdown of the auto negotiations, the National Economic Council has reportedly mapped out a set of recommended measures for the president to take against Japan. Specific contents of the measures have yet to be made public, but the possibility is strong that the president will announce a list of Japanese goods to be hit by U.S. punitive tariffs under the Super 301 provision of the 1988 Omnibus Trade Act. Tokyo is poised to break off the auto negotiations and bring its case to multilateral negotiations to be held under auspicious of the WTO if the president announces the list.

It is clear that the U.S. negotiating stance is full of contradictions and goes off half-cocked. Playing confrontational brinkmanship in economic talks is unproductive and dangerous.

Nonetheless, Tokyo should not simply take the view that Washington has taken a hard-line stance on Japan in the auto negotiations in a bid to "shore up the Clinton administration, which is being hurt by its unpopular domestic policies". Aside from the sector-by-sector negotiations, the United States and international opinion are critical of the way the Japanese market is run.

This year, which will mark the 50th anniversary of the end of World War II, reminds us that past wounds still linger both in Japan and the United States. The Japanese Government is stressing that if the auto negotiations fail to strike a deal, they should naturally progress to multilateral negotiations. But things are not so simple.

We urge both Japan and the United States to display political leadership to restart the auto negotiations. The two countries should not stop their efforts to settle their trade dispute through bilateral negotiations.

## Editorial on International Contributions

*OW0605133095 Tokyo ASAHI SHIMBUN in Japanese 3 May 95 Morning Edition p 13*

[Editorial: "Proposal — the Legislation of an International Cooperation Law"]

[FBIS Translated Text] The Japanese Government contributed $11.2 billion to developing countries in 1993 through its Official Development Assistance (ODA) programs. This amount represented a three-fold growth in 10 years, and the largest in the world for three years in a row. The strong yen helped boost the number, but it was more the outcome of government efforts to expand its volume of nonmilitary "international contributions."

However, has Japan, which is now the world's major assistance provider, come to "occupy an honored place in international society" (as the Constitution's preamble said it will)? Have the people of Japan come to feel confident that they now can live in this world with pride?

Though with regret, we must say that the answer is no.

The problem lies with the quality of assistance. However small an amount it may be, money is valuable when it gets into the hands of impoverished people of developing countries and thus is used to help the people sustain themselves. Money alone is not enough, however. Personnel to help them should be provided as well. Only when these Japanese personnel shed sweat working and thinking with the people of aid recipient countries can the aid programs be effective.

So far, for the Japanese Government, the question of whether its programs would benefit the recipient developing countries has been secondary. During the time Japan was making very rapid economic growth, the government used the ODA programs as ways of promoting exports and securing natural resources for Japan. After Japan became an economic power, the government has increased its aid amounts under pressure and criticism from the United States, to which Japan feels indebted from security and economic perspectives. In that way, as a result, the government may have curried favor with the governments of aid recipient countries, but has never been able to win sincere praise from their people.

Coming under attack at home and abroad for "Japan's assistance programs having no face [having no clear purpose]," the government, though belatedly, adopted an outline for the ODA at a 1992 cabinet meeting. Citing purposes for providing assistance, the outline mentioned "humanitarian views on people suffering hunger and poverty" and "stability and development of developing countries being essential to peace and prosperity of the world." Of course, these purposes conform to the spirit of the Constitution, which talks about the need for world peace and human rights. We have nothing to complain about that.

However, our question is: Why did the government stop at only adopting the outline and not go on to legislate a law? The government's excuse is that once the contents of government assistance are allowed to be deliberated and acted on in the Diet, the contents will be defined narrowly and inflexibly, and, thus, will become an impediment to diplomatic maneuverings later on.

Really, we think the government's secretiveness in wanting to decide and act on assistance issues all by itself has been the cause for scandals involving developing countries' governments and Japanese trading companies, making ourselves unpleasant; and for aid money to be given away without letting us know how it is used.

First of all, we propose the government legislate the "International Cooperation Law," which clearly sets forth the purposes for Japan providing international cooperation, the new organizations of aid and peace supporting bodies, and the obligations for the government to report to the Diet. This law should clarify the government's responsibilities to the Diet on international cooperation, which should make it easy for the government to gain the understanding and support of the people, who are the ones to bear the burdens of these expenses.

Both the House of Representatives and the House of Councillors should set up their own permanent International Cooperation Committees, and should require these committees to report to the government on their assistance allocation plans broken down by aid recipient areas and objectives. The two committees should also hold public hearings from time to time to hear views of intellectuals at home and abroad on what they think about completed assistance programs.

The ODA outline presents rules on qualifying nations to receive aid, and declares Japan "should pay careful attention to the trends of military expenditures spent and weapons of mass destruction produced by the aid recipient countries." However, such a rule is useless now as far as such big powers as China are concerned. It appears immediate diplomatic considerations are more important to the Japanese Government. However, if the Diet comes to gain a greater voice in the matter of international assistance as a result of the legislation of the law, the government's position on need to abide by these ODA outline rules will become more persuasive and convincing to the aid recipient countries.

We believe the existing complicated organizations of aid policy-involved government offices should be reformed and integrated into a new organization called the International Cooperation Agency to gain public understanding of these functions' rationale and transparency. The prime minister should serve as the agency's head concurrently as a way to ensure that its functions are separate from the Foreign Ministry's normal diplomatic functions. The reason we propose not placing this agency under Foreign Ministry control is because we believe this arrangement will compel the government to stop using international cooperation as a diplomatic tool, and to pursue the assistance programs as the most important task for Japan — Japan as an active member of the world community.

All the functions of the three ministries involved in yen-based loans — the Foreign, Finance, and International Trade and Industry Ministries — and the aid-related offices of the Economic Planning Agency should be transferred to this agency. Sections of other ministries and agencies involved in grant-type aid should be absorbed into the agency as well. The integration of existing organizations will contribute also to government efforts to streamline the administration.

Methods of providing assistance and the system of implementing aid programs should also be drastically reformed. The yen-based loans system, which has been good in helping East Asian countries build up their industrial infrastructures, or the aid structure, which discourages dispatching Japanese personnel to aid recipient countries, are not suitable or good enough to meet the new demands in the post-Cold-War world.

The key aid programs for East Asian countries can no longer be those aimed at helping construct the industrial infrastructure. The problems looming in these countries are those related to the expanding gap between rich and poor, growing slum areas in cities and towns, and worsening environmental pollution — conditions that have come with the rapid development of a market economy. These problems need to be addressed.

Another urgent task Japan faces is to help shore up the living standards of 1.3 billion impoverished people living in West Asia and Africa who can hardly feed themselves. Population explosion, global warming, acid rain, and exodus of refugees are also issues Japan should take the initiative in tackling.

As ways of dealing with poverty or environmental problems, grant-type aid rather than yen-based loans is appropriate. That is because, in these areas, profits from investments cannot be expected.

At present, the proportion of grants — calculated by summing up free aid funds, technological assistance, and donations to international organizations — comes to about 40 percent of the overall ODA programs. This ratio shows Japan provides fewer grants among aid-providing countries. Our proposal is to raise this proportion to 80 percent, which is the average proportion for other aid-donor countries, in the next 10 years.

To achieve this target, the government will have to expand aid-in-grants substantially, while reducing yen-based loans. More weight will need to be given to West Asia and Africa in allocating aid, and those aimed at helping public life — like health care, education, food supply, and environment — should be raised proportionally.

In shifting the international assistance policy, it would be effective for Japan to create a new enforcement organization under the International Cooperation Agency — by integrating the Overseas Economic Cooperation Fund (OECF), which now handles yen-based loans, and the Japan International Cooperation Agency (JICA), which now handles technological cooperation.

By doing so, the government can avoid duplication of work in the process of selecting aid recipients, deciding on sending survey teams, or negotiating with recipient countries. And it should make it easy for the government to formulate integrated assistance plans.

To make assistance effective in helping developing countries attain economic self-reliance, the government must first conduct in-depth surveys and studies on the political, economic, and social trends of these countries; and must determine how they should be assisted to gain industrial growth. We would like to propose that the Developing Economies Institute absorb the existing survey departments of aid organizations, and be made into a new international cooperation research institute under the control of the International Cooperation Agency. It is important that people of developing countries be employed as its research members as much as possible and their views be put to good use in carrying out the assistance programs.

We propose all this organizational reform be implemented in 2000. The time leading up to that year should be for preparations. Meanwhile, the agreement between the government and the ruling parties on merging the OECF with the Export-Import Bank of Japan and the Developing Economies Institute with the Japan External Trade Organization (JETRO) — which was nothing but an agreement to juggle the numbers — should be scrapped. That agreement lacked proper policy purposes and was a product of compromise with bureaucrats.

As compared with large yen-loan projects, such as those to build dams and roads, projects to fight poverty and environmental pollution require involvement of many people to make them meaningful. While monetary amounts involved may be small, manpower workloads will not be much different from those required in big projects. Japan will come to need a large number of personnel to be sent to assistance project sites to provide advice and guidance.

The personnel the government has in assistance functions now number no more than about 1,800, including officials in overseas missions and aid organizations. This number is much smaller than that of the United States or European countries. In fact, the number is barely good enough to do the work of spending money only. We suggest the government give more emphasis to the substance of the assistance programs' contents than to their efficiency, and take the drastic action of adopting a 10-year personnel buildup plan with the target of raising the number to 5,000. Most of the manpower requirements can be filled by reassigning personnel who will become available from the integration and merger of the functions of aid-related government offices and special corporations proposed above.

The number of specialists like medical personnel and technicians as well as members of the Youth Overseas Cooperation Force also must be raised drastically. There is now a growing number of retirees volunteering to join the Silver Volunteers team, but participation in projects of actively working members of industries is also important. The industries can help the cause by adopting a system of giving volunteers administrative leave, thus enabling company employees to return to their jobs after completing their tours of voluntary service in foreign countries.

Sometimes, nongovernment organizations (NGO) can excel the ODA in their effectiveness as assistance providers — by being so nimble and considerate. We hope Japan's NGOs, which are still young in growth, will grow healthily.

Many NGOs are voluntary groups without legal backup and are financially weak. If they gain the status of foundations, they can raise funds more easily and can receive preferential tax treatment as well. The tough requirements in the current system to qualify as legal public foundations should be eased, thus opening a way for small but well-organized NGOs to become and operate as foundations.

It is encouraging that waves of enthusiasm to participate in international cooperation are spreading to local governments, business-run foundations, and trade unions. If such systems of international cooperation further grow and the Japanese Government, together with its people, do their part for the benefit of this globe, the world will come to recognize Japan's presence with respect.

### Tokyo Welcomes 'Japanophile' Chirac in France

*OW0805081395 Tokyo KYODO in English*
*0802 GMT 8 May 95*

[FBIS Transcribed Text] Tokyo, May 8 KYODO — The Japanese Government welcomed the victory of Paris Mayor Jacques Chirac in Sunday's French presidential elections Monday and expressed the hope that the new president's reputation as a Japanophile will help strengthen Japan-France ties.

"Mr. Chirac knows Japan very well, having made 40 trips here," Chief Cabinet Secretary Kozo Igarashi said. "We feel familiarity toward him and want to applaud his victory in the presidential elections."

Government sources said they hope the victory of Chirac, a frequent traveler to Japan who was prime minister in 1974-76 and again in 1986-88, will help boost Japan's ties with France and with the rest of Europe.

Foreign Ministry officials predicted no major change in Paris' policy toward Japan under the new president since Chirac is expected to succeed the policies of outgoing President Francois Mitterrand.

Ministry sources said they hope Foreign Minister Yohei Kono will be able to hold talks with Chirac when he attends the ministerial meeting of the Organization for Economic Cooperation and Development (OECD) in Paris later this month.

Riding on a wave of conservatism in France, Chirac, 62, of the Neo-Gaullist Rally for the Republic, beat Socialist Party candidate Lionel Jospin by a comfortable margin to end 14 years of socialist rule.

### Ministers Urged To Explain High Yen's Benefit

*OW0905044595 Tokyo KYODO in English*
*0433 GMT 9 May 95*

[FBIS Transcribed Text] Tokyo, May 9 KYODO — Prime Minister Tomiichi Murayama on Tuesday [9 May] told government ministers to disclose more information on how benefits from the yen's appreciation can be passed along to consumers, government officials said.

After a regular cabinet meeting, Murayama was quoted as saying, "passing on benefits from the high yen should be done in a way that consumers can easily understand."

He told Masahiko Komura, director general of the Economic Planning Agency, and other ministers to try to announce data related to how possible charges on utilities such as gas and electricity can be lowered, the officials said.

Construction Minister Koken Nosaka said the yen's surge should be fully reflected first in energy-related charges, they said.

Komura was quoted as saying he will publish by the end of May a report which includes ministry-by-ministry plans of passing on foreign-exchange benefits to consumers, they said.

### EPA's Komura on High Yen, Trade Dispute

*OW0905034295 Tokyo KYODO in English*
*0324 GMT 9 May 95*

[FBIS Transcribed Text] Tokyo, May 9 KYODO — The head of the Economic Planning Agency (EPA) said Tuesday [9 May] he had urged other cabinet ministers to carry out a survey by the end of May of how any possible benefits from the yen's recent surge in value against the U.S. dollar can be passed on to Japanese consumers.

Speaking at a press conference after the day's cabinet meeting, Masahiko Komura, director general of the EPA, said the benefits of the high yen should first be oriented toward Japanese consumers through the lowering of charges for utilities such as gas and electricity, rather than through front-loading of public spending.

Komura also stressed that passing on foreign exchange benefits should be conducted in a way that consumers can easily understand.

He said that even if some ministries find it difficult to complete a survey within this month, he will push them to do so.

Concerning Saturday's failure of auto and auto parts trade negotiations between Japanese Trade Minister Ryutaro Hashimoto and U.S. Trade Representative Mickey Kantor, Komura said he will support Japan's taking the dispute to the World Trade Organization (WTO) if necessary.

"It is natural for Japan to continue the talks at the WTO, if the U.S. announces a plan to impose sanctions (against Japan)," Komura said.

### Firms To Buy More From Overseas Suppliers

*OW0805115195 Tokyo KYODO in English 1130 GMT 8 May 95*

[FBIS Transcribed Text] Osaka, May 8 KYODO — Nearly 60 percent of entrepreneurs in western Japan responding to a survey said they plan to increase purchases from overseas suppliers to help them deal with the strong yen, a regional business organization reported Monday.

The Kansai Economic Federation said the report is based on a survey of 666 member companies in late April, 30.6 percent of which responded.

The poll showed that 58.5 percent of respondents said they plan to enhance purchases of parts and materials from overseas suppliers.

The federation said the number of companies considering reorganization of operations had declined, accounting for 44.0 percent of all respondents.

The survey also showed that the yen's maximum tolerable exchange rate was 91 to the dollar, against 113 in a similar poll taken in may 1993, the federation said.

Most companies predicted the yen-dollar exchange rate of 86 yen per dollar in fiscal 1995 and 88 yen per dollar in fiscal 1996, it said.

Many executives said emergency measures implemented by the government and the Bank of Japan to cope with the yen's appreciation were not timely or practical, the federation said.

### Miyazawa Comments on Economic Countermeasures

*OW0605132295 Tokyo AERA in Japanese 1-8 May 95 p 25*

[Interview with former Prime Minister Kiichi Miyazawa by editorial staff members Toshiaki Miura, Yosuke Iso, and Naoya Suzuki; place and date not given]

[FBIS Translated Text] To sum things up, I think our economy is currently experiencing deflation. It is important to recognize this accurately. We become nervous when inflation occurs, but because we have not had much experience with deflation, we tend to make mistakes in recognizing it. We must have a firm grasp of the economy in its totality.

When wholesale prices are down to such an extent, in terms of business activity this can only be described as deflation. When banks do not loan money, it is nothing but deflation. Deflation is a kind of depressed condition in which all sorts of rather depressing things can occur in society. It is connected with society's unhappiness.

With the yen going up this much, it is natural that it has become deflationary. Wholesale prices are lower than a year ago. This means the price of goods stores have on hand has gone down. This is good for consumers, but it is very difficult for business. It is a fact that Japanese businesses retain full employment. Thanks to a long period of good business conditions, there are sufficient employment adjustment funds so the fact is not revealed, but latent unemployment is probably approaching 5 percent.

There are three points I want to bring to the attention of government leaders. One is that they should finance the entire supplementary budget — which they must submit immediately partly owing to the Great Hanshin and Awaji Earthquake — with government bonds. Items that can be the subject of construction bonds should be financed by such bonds. Other items, such as the disposal of debris and revenue shortfall, should be financed, not by short-term government bonds, but by deficit-covering government bonds. I suspect the financial authorities have in mind that short-term government bonds will lead to a future tax hike. But if they recognize that the present economic situation is deflationary, I think it is wrong for them to insist on balanced finance.

Second, government participation is indispensable to deal with the bad debts of financial organizations. The fact that banks are not making loans is the greatest cause of deflation. It is akin to a situation in which blood does not flow through the body. I think it was necessary for Tokyo Kyodo Bank to be established to prevent credit uncertainty from becoming contagious. But it so happens that, in order to prevent the spread of a contagious disease, they saved the wrong patient. It is regrettable that this has triggered questions.

To deal with bad credit, we should begin with housing finance companies. Because the credit union's case was a bad one, there will be critical opinions. But if we are too scrupulous about this, a response to the overall situation will be delayed.

The third point is somewhat unrelated. Both for exports and imports, we need to promote settlements in yen. Japanese exports on a yen basis are not even 40 percent. As for imports, they are about 20 percent. In Germany, about 80 percent of exports and 50 percent of imports are conducted on a mark basis, so there is less commotion resulting from the fluctuation of exchange rates. If about half of our imports were settled in our own currency, the merits of the high yen would show up more quickly.

To that end, there are things we must correct. As long as we take the yen overseas, in the Tokyo market the yen must be able to hedge, financial wise and capital wise. But we have not developed a way to achieve that. Since the exchange rate was established in 1949, neither the Ministry of Finance nor ourselves have thought about it other than in a passive manner.

But as we can see from the case of the former Great British Empire, it is, naturally, accompanied by a responsibility to have other countries carry one's own currency. But unless we create a situation in which it is safe to hold yen, transactions on a yen basis will not increase any further. I am not advocating making the yen into a key currency. I am talking about dealing with the situation realistically.

I expected business conditions to improve after the summer, but I am not sure now. I thought there would not be a revenue shortfall this time, but this too could occur if we carry out the wrong economic countermeasures. As for the above three points, they can be accomplished right away if we make our minds up to do so. But such political measures cannot be proposed by the Finance Ministry. Politicians should take the lead — the prime minister, cabinet members, and the parties should speak up.

### Factors In Current Account Surplus Declines

*OW0905090595 Tokyo KYODO in English*
*0841 GMT 9 May 95*

[FBIS Transcribed Text] Tokyo, May 9 KYODO — Japan's current account surplus in Fiscal 1994 fell from the previous year for the first time in four years, reflecting a surge in services deficit amid the yen's rapid appreciation against the dollar, the Finance Ministry said Tuesday [9 May].

The surplus in the current account, measuring goods, services, and some unilateral transfers such as grant aid, decreased by a seasonally unadjusted 4.2 percent to 125.01 billion dollars from a record 130.49 billion dollars posted in the previous year, said the ministry in a preliminary report.

A ministry official said the nation's current account surplus is basically on a downward trend, although the outlook depends on foreign exchange rates, crude oil prices and economic conditions at home and abroad.

The nation's trade surplus, the bulk of the current account surplus, edged up 1.4 percent to a record 145.02 billion dollars.

Exports increased 11.3 percent to 396.47 billion dollars and imports grew 17.9 percent to 251.45 billion dollars, the ministry said.

The balance of services trade, such as tourism, shipping, transportation, and investment, posted a 12.04 billion dollar deficit, more than double that of the 5.52 billion dollars in the previous year.

The deficit in travel hit a record high of 28.55 billion dollars, up from the previous high of 24.14 billion dollars posted in Fiscal 1993.

The number of trips abroad made by Japanese during the reporting year is estimated to have totaled 13.74 million, up 11 percent from the previous year, the ministry said.

The balance of transportation also posted a record deficit of 13.75 billion dollars, up from 11.29 billion dollars in the previous year.

Meanwhile, investment income, such as earnings from direct investment and interest on yen-denominated loans, hit a record high of 41.15 billion dollars, almost offsetting the combined deficit in tourism and transportation, the official said.

The deficit in transfer payments increased 14.4 percent to 7.97 billion dollars from 6.97 billion dollars in the previous year.

The long-term capital balance posted a deficit of 128.70 billion dollars, compared with a deficit of 25.55 billion dollars for the previous year.

The nation's current account surplus is on the decline, more than offsetting the "j-curve" effects of the recent yen surge, the official said.

As a reason for the latest fall in the current account surplus, the official cited double-digit increases in volume-based imports for almost every month in the reporting year, in addition to the jump in the services trade deficit.

The yen-dollar exchange rate for customs-cleared exports averaged 99.76 yen for fiscal 1994, up 8.4 percent from the previous year, and the rate for imports came to 99.78 yen, up 8.5 percent.

Hisashi Yamada, an economist at the Japan Research Institute, said the outlook for the dollar-valued surplus depends on the speed of possible yen rises ahead.

If the dollar is stabilized at the 83-yen level, the surplus in fiscal 1995 may increase again in dollar terms due to the "j-curve" effects, Yamada said.

If the dollar slips below 80 yen again, he said, there might be industrial moves to reduce or suspend exports, which could slash Japan's surplus in the long run, after a short-term growth.

Under the j-curve effect, a rise in the yen first boosts Japan's surplus in dollar terms, before rises in the prices of exports and declines in import prices eventually cut exports and increase imports.

The ministry also reported that the nation's current account surplus in March declined 6.5 percent from a year earlier to 14.83 billion dollars.

The March trade surplus increased 8.9 percent to 16.64 billion dollars with exports up 15.9 percent to 41.43 billion dollars and imports up 21.2 percent to 24.79 billion dollars.

Both the export and import figures marked record highs for any month, the ministry said.

### Supplementary Budget Outlined

*OW0805111295 Tokyo KYODO in English 1059 GMT 8 May 95*

[FBIS Transcribed Text] Tokyo, May 8 KYODO — The Finance Ministry is considering setting the scale of a supplementary budget for fiscal 1995 at some 2.6 trillion yen, ministry sources said Monday.

The budget, to be submitted to the Diet on May 15, is aimed at propping up the economy because the yen's recent rapid appreciation has slowed its recovery, and concerns are growing over renewed upward pressure on the yen in the wake of the failure of Japan-U.S. auto trade talks, the sources said.

The extra budget, the first in fiscal 1995 which started April 1, has three features — outlays for reconstruction of areas devastated by the Jan. 17 Great Hanshin Earthquake, spending on improvement of natural disaster protection systems nationwide and funds for measures to cope with the yen's appreciation, they said.

To pay for the 2.6 trillion yen extra budget and the roughly 150 billion yen fall in tax revenues due to special tax reductions for quake victims, the ministry will issue additional construction bonds and deficit-covering bonds, they said.

Some 1.4 trillion yen will be earmarked for the restoration of port, road and other public facilities, housing projects and cleanup of debris, among others, to rebuild the quake-hit areas, they said.

About 700-800 billion yen will be spent on natural disaster countermeasures nationwide, including reinforcement of public facilities and a review of structures of elevated highways, they said.

Also, around 400 to 500 billion yen will be disbursed for measures to combat the yen's rise and economic restructuring reforms, the sources said.

As a step to counter effects of the strong yen, investments in government-backed financial institutions such as Japan Finance Corp. for small business will be increased, with a view to expanding the amount of management-assisting loans to small- and medium-size businesses, they said.

The disbursement also focuses on financial support for upgrading research facilities of universities and public research institutes, as well as providing optical fiber networks in the telecommunications field, they said.

The extra budget also features outlays worth tens of billions of yen to strengthen police investigations into the March 20 sarin gas attack on the Tokyo subway system and related matters in a bid to keep public order, they said.

### MOC To Supply Bid Information on Internet

*OW0905103795 Tokyo SANKEI SHIMBUN in Japanese 8 May 95 Morning Edition p 1*

[FBIS Translated Text] On 7 May, the Ministry of Construction [MOC] firmed up plans to make information about tenders offered by local construction bureaus for public works projects available to the rest of the world by using the "Internet," an international information network.

The United States and other nations have criticized Japan for keeping foreign contractors in the dark about Japan's public works projects. The MOC firmed up the plans in an attempt to allay the criticism and promote opening the Japanese construction market. This is the first time Japan has supplied other nations with tender information for public works projects.

As one of the measures to have information suppliers fully prepared, the MOC has asked for the outlay of 1.2 billion yen over the next three years to implement an information action program. The MOC also has drawn up plans to build an optical fiber information network within it and supply about 1,600 employees with personal computers over the next three years.

The information action program is aimed at building the optical fiber information network, which would make it possible for all MOC bureaus to speedily exchange a large volume of information. In addition, the MOC plans to build a local area network (LAN) at 53 divisions and offices within it. In this way, the MOC plans to increase administrative efficiency by introducing "official electronic documents" and "electronic mail" that make it possible for personal computers to exchange information.

If this new information system is put into operation, the volume of office documents will be reduced sharply and the database on roads, rivers, and harbors will be efficiently operated. The use of the Internet will be promoted on the basis of building the optical fiber information network. Specifically, the MOC intends to use exclusive computers to supply other nations with information on open tenders for public works projects (approximately 8 trillion yen a year) including the construction of roads, schools, and hospitals. The MOC has decided to supply other nations with various statistics and publicity data in voice and image as multimedia information. In this way, the MOC intends to play a role in building Japan into an "open Japan."

The "High-Speed Information Society Promotion Headquarters" (headed by Prime Minister Tomiichi Murayama) has instructed government ministries and agencies to draw up plans for the promotion of administrative information. The MOC, which has mapped out the information action program in response to the instructions, will formally decided on the program by the end of May.

The MOC plans to build a communications system under which local construction bureaus use their disaster radio systems to deal with disasters like the great Hanshin earthquake. The MOC has been accused of being slow in building the intra-information network. The MOC aims to outstrip other government ministries and agencies in building the intra-information network.

### Murayama, LDP Leaders Discuss Political Status

*OW0805145295 Tokyo NIHON KEIZAI SHIMBUN in Japanese 8 May 95 Morning Edition p 2*

[FBIS Translated Text] On the evening of 7 May, Prime Minister Tomiichi Murayama separately met with Yoshiro Mori, secretary general of the Liberal Democratic Party [LDP]; Koichi Kato, chairman of the LDP Policy Research Council; and Wataru Kubo, secretary general of the Social Democratic Party of Japan [SDPJ], to exchange opinions on how to deal with the political situation. In addition to strongly denying the possibility of a early dissolution of the House of Representatives to conduct the general election, Murayama showed a negative attitude about a cabinet reshuffle before the upcoming upper house election. Regarding the Diet resolution on the 50th anniversary of the end of World War II, over which the ruling parties are at odds, the prime minister eagerly hoped to win the Diet approval for it in the current diet session. In response, both Mori and Kato promised their cooperation. Kubo indicated to Murayama his intention to thoroughly fight against the firm opposition from some LDP members to the resolution, saying, "Easy compromise should not be made." On 8 May, the prime minister will meet with Yohei Kono, deputy prime minister and foreign minister (and concurrently LDP president); and Masayoshi Takemura, finance minister (and leader of Sakigake [Harbinger Party]) to discuss the handling of the second half of the current Diet session and pending political issues.

On the evening of 7 May, Murayama talked with the members of so-called "YKK trio" — Taku Yamazaki, chairman of the LDP Diet Affairs Council; Kato; and Junichiro Koizumi, former minister of the Posts and Telecommunications — at a Tokyo hotel for about two hours, while having dinner. The YKK trio members indicated their intention to continuously support Murayama in the future, saying: "The Murayama administration should assume leadership in politics with confidence. We would like you to serve as prime minister until your term of office expires, without thinking about a dissolution of the lower house followed by a general election." In response, Murayama clearly said, "I have no intention (of dissolving the lower house to conduct the general election)." He then stressed his resolution to do his utmost to improve relations with the DPRK (North Korea), and to solve the pending political tasks, such as promotion of deregulation.

The YKK trio attended the meeting in response to Chief Cabinet Secretary Kozo Igarashi's call. Speaking on the timing of the cabinet reshuffle, Yamazaki stressed that the reshuffle be conducted before the July upper house election. Murayama, however, did not express his view about this.

With regard to handling of the Diet resolution on the 50th anniversary of the war's end, the prime minister emphatically said, "In an effort to build a future-oriented relationship with Asian countries, I want to obtain Diet approval for the resolution aimed at completely settling past problems." The YKK trio members vowed their cooperation in winning Diet approval, and showed their intention to quickly coordinate the final details of the resolution.

Prior to this meeting, Murayama met with LDP Secretary General Yoshiro Mori at his official residence the same evening. Speaking about the Cabinet reshuffle, Mori explained: "(When the LDP was in power), reshuffles were customarily conducted once a year. Although there would be various pros and cons, regardless of when the reshuffle were conducted — before or after the upper house election — it is up to the prime minister to make a final decision." Murayama again showed a negative stance toward the reshuffle before the upper house election, saying, "In view of the sarin nerve gas attacks on the subway system and the yen's appreciation, efforts should be made to avoid a political vacuum."

In relation to the future political situation, the prime minister was concerned about the possibility of the SDPJ having a hard time in the upper house election. In response, Mori stressed that the LDP will make utmost efforts to support Murayama, saying, "Although there are various opinions in the LDP, the coalition administration has worked extremely well because it is led by you and none other."

With regard to the Diet resolution on the 50th anniversary of the war's end, Murayama asked for the LDP's cooperation in adopting the resolution by the end of the current Diet session, saying: "Regardless of my recent visit to China, we must obtain Diet approval for it. After such thorough deliberations, there is no other path for the ruling parties but to adopt it." In reply, Mori vowed to do his utmost to coordinate opinions among the ruling parties, saying, "There will be no excuse for Japan doing nothing. It is important for us to show our determination for peace, and to contribute to the international community. Now is the time for us to do so as this year is the 50th anniversary of the end of the war."

### LDP, NFP Urge Direct Election of Premier

*OW0805145195 Tokyo KYODO in English*
*1445 GMT 8 May 95*

[FBIS Transcribed Text] Tokyo, May 8 KYODO — Lawmakers of the ruling Liberal Democratic Party (LDP) and the main opposition Shinshinto (New Frontier Party: NFP) agreed Monday to advocate the direct election of the prime minister by the electorate.

The agreement was reached in a meeting in Tokyo of three LDP legislators, including former Posts and Telecommunications Minister Junichiro Koizumi, and three Shinshinto lawmakers, including former Economic Planning Agency head Hajime Funada.

They also decided that about 10 members of the two parties will meet next week to discuss the issue further.

They plan to seek participation by politicians of the Social Democratic Party (SDP) and New Party Sakigake, the LDP's partners in the three-party ruling coalition.

The meetings are designed to be a forum for talks between LDP and Shinshinto lawmakers who wish to play a key role in the ongoing political realignment.

Koizumi and Funada have been advocating the direct election of the head of government as a stimulus to the current stagnant political situation.

### NFP Lawmakers Seek No-Confidence Motion

*OW0905102895 Tokyo KYODO in English*
*1001 GMT 9 May 95*

[FBIS Transcribed Text] Tokyo, May 9 KYODO — Younger lawmakers of the leading opposition Shinshinto (New Frontier Party [NFP]) on Tuesday [9 May] called on the party leadership to submit a no-confidence motion against the cabinet of Prime Minister Tomiichi Murayama.

A group of Shinshinto Diet members led by Hajime Funada, former director general of the Economic Planning Agency, agreed in a meeting to urge the party leadership to submit the motion toward the end of the current Diet session. The current Diet session ends June 18.

Funada will convey the request to party head Toshiki Kaifu, a former prime minister.

Funada criticized the cautious stance among the party leadership toward such move, represented by Shinshinto Secretary General Ichiro Ozawa, saying it is the opposition party's most important right.

"If we abandon the right, we will lose the reason for existence as an opposition party," he said.

Ozawa and some other party leaders are cautious about a no-confidence vote mainly because there is little chance that it will pass against the majority held by the ruling coalition of the LDP [Liberal Democratic Party], Murayama's Social Democratic Party [Social Democatic Party of Japan — SDPJ] and new party Sakigake.

### Ota Quits NFP To Rally Conservatives

*OW0905113895 Tokyo KYODO in English*
*1046 GMT 9 May 95*

[FBIS Transcribed Text] Tokyo, May 9 KYODO — Another legislator left the primary opposition Shinshinto

(New Frontier Party [NFP]) on Tuesday [9 May] in a bid to help form a new conservative alliance.

Seiichi Ota, a House of Representatives member, said he intends to rally conservative lawmakers into forming a new conservative alliance.

Ota said he submitted his resignation to Shinshinto Secretary General Ichiro Ozawa, who accepted it.

Ota follows the footsteps of TV personality-turned lawmaker Chimpei Nozue, who said Monday he has decided to leave the party and form his own party. Nozue is a member of the House of Councillors, or the upper house.

"If I continue to work for a conservative alliance while remaining in the party, it would cause trouble for the party," Ota told a news conference.

Ota had already made public his intention to run for a seat in the lower house as a non-Shinshinto candidate in the next election.

He has been calling on conservative lawmakers in Shinshinto as well as in the Liberal Democratic Party (LDP) and other parties, to rally under a banner of "new conservatism."

Ota was an LDP member before joining Shinshinto last year.

The LDP forms the ruling coalition with the Social Democratic Party led by Prime Minister Tomiichi Murayama and new party Sakigake, a small LDP splinter group.

### Murayama Hints at New SDPJ-Sakigake Party

*OW0505231395 Tokyo KYODO in English*
*2300 GMT 5 May 95*

[FBIS Transcribed Text] Shanghai, May 6 KYODO — Japan's Prime Minister Tomiichi Murayama has indicated the possibility of creating a new party between his Social Democratic Party [of Japan] (SDP) [SDPJ] and New Party Sakigake [Harbinger], the smallest of the three ruling coalition partners.

"If we can share the perception that we will form a joint parliamentary bloc or envision a new party, it is possible for us to move in that direction," he told Japanese reporters Friday [5 May] on the final leg of his five-day official trip to China.

But he also remarked that the SDPJ and Sakigake should not necessarily turn into a single entity if they can promote cooperation "in a new style" and win the hearts of those who do not support any particular political party.

Murayama, who will return to Tokyo on Saturday afternoon, took a dim view of early dissolution of the House of Representatives for a snap general election, saying any political vacuum should be avoided now as there are a number of tasks to tackle.

He also ruled out the possibility of a face-lift of his 11-month- old cabinet before the House of Councillors election slated for July.

"The entire cabinet needs to try harder to tackle the tasks facing us," said the Japanese premier.

Murayama predicted the framework of the current coalition, also including the conservative Liberal Democratic Party as a dominant partner, will be maintained for some months to come.

### Members Increasingly Ready To Abandon SDPJ

#### Increase in 'Defectors'

*OW0805084995 Tokyo YOMIURI SHIMBUN*
*in Japanese 5 May 95 Morning Edition p 3*

[FBIS Translated Text] The "preparatory committee of the Democratic Liberal Party," a group consisting of Sadao Yamahana — chairman of the New Democratic League [NDL] — and other dietmen has been disbanded recently. Now, the focus of attention is on how many in the group, including Yamahana, will decide to leave the Social Democratic Party of Japan [SDPJ].

Some radical members of the group intend to exchange views on how to deal with the situation, including possible secession from the SDPJ after the end of the Golden Week holidays. Since the political foundation of the Murayama administration may be weakened by the increase in defectors, the SDPJ and other political parties are now watching the moves of the group members.

When the decision to give up on the formation of "Yamahana's New Party" was made on the night of 27 April, six radical members of the group, including upper house member Shoji Motooka and lower house member Ikuo Horigome, met with SDPJ Secretary General Wataru Kubo and conveyed their plan to leave the party. While Kubo tried to persuade them to stay in the SDPJ, they are now intensifying moves toward "secession from the SDPJ." For example, upper house member Sachiko Maehata, has decided to run in the next upper house election from the Democratic Reform Federation [Minshu Kaikaku Rengo] as a Rengo [Japan Trade Union Confederation] candidate backed by labor unions affiliated with the former Democratic Socialist Party [DSP]. In addition, Motooka has hinted at joining the Shin- Ryokufu-Kai, one of the upper house floor groups.

Former SDPJ Chairman Makoto Tanabe — a dietman senior to Yamahana, who is also backed by the Japan Postal Workers' Union — is trying to persuade Yamahana to stay in the party though Yamahana is reportedly determined to leave. Yamahana plans to exchange views with lower house member Banri Kaieda, who heads the Democratic New Party Club [Minshu Shinto Club], as early as 10 May. Kaieda was one of organizers of the new party preparatory committee.

As far as Yamahama is concerned, if and when he decides to leave the SDPJ he will draw a line with Motooka and the other dietmen from Hyogo Prefecture [Hyogo Group] who are thought to be anti-LDP [Liberal Democratic Party] but "close to the New Frontier Party [NFP]." Yamahana plans to promote an alliance with Kaieda and other dietmen, including lower house member Tatsuo Kawabata, who has become independent after leaving the NFP. Yamahana wants to be an independent for the time being. Eventually, he plans to establish a "third force" against the LDP and NFP when the opportunity comes. However, he does not yet have a clear strategy for this.

On the other hand, the situation for the six members who conveyed their secession plan to Kubo, is also complicated. While upper house members intend to leave the party after the end of the holidays in preparation for the upcoming upper house election, lower house members want to time their leaving the party for the next general election and intend to recruit more allies until then.

On the question of how much "distance to keep from the NFP," the Hyogo Group had originally favored electoral cooperation within the framework of the "former coalition." But it has been critical about the alliance between the LDP and the SDPJ. On the contrary, Tetsuo Kitamura, an upper house member of the national proportional constituency, is critical about the pro-NFP stance of the Hyogo Group and is looking for a chance to leave the party on his own.

Among other members of the new party preparatory committee and the dietmen belonging to the NDL who did not participate in the committee, there are many who think "we are against the existing SDPJ but do not favor either the LDP or the NFP." There is a possibility that the number of defectors may increase depending on the party executives' moves and future moves of Yamahana.

### Kitamura Asks To Leave

*OW0805031895 Tokyo KYODO in English 0241 GMT 8 May 95*

[FBIS Transcribed Text] Tokyo, May 8 KYODO — A House of Councillors member of a rebel group within Prime Minister Tomiichi Murayama's Social Democratic Party [of Japah] (SDP) [SDPJ] on Monday [8 May] submitted a request to quit the SDP.

Tetsuo Kitamura, 56, turned in his request to SDP Secretary General Wataru Kubo at the party's headquarters in Tokyo.

Kitamura, who belongs to the intraparty rebel group headed by former SDP Chairman Sadao Yamahana, called his request "an independent action," saying he had "consulted with no one about quitting the party."

As reasons for the move, Kitamura pointed to prospects that the SDP will fail to transform itself into a new democratic party before the July upper house election and that Yamahana's preparatory body for creating a new party will be dissolved.

Kitamura said he will join a small political group headed by House of Representatives member Banri Kaieda.

The SDP leadership will discuss how to deal with Kitamura's request, SDP officials said.

In late April, Yamahana himself said that he would quit the party after the "Golden Week" holidays that ended Sunday.

Yamahana told members of his rebel group and labor union leaders supporting him that his decision was due to his failure to change the SDP into a new democratic party before the upper house poll, group members said.

Yamahana has been trying to create a new party to replace the SDP before the upper house poll, but the SDP's policy-steering panel has decided to seek to create such a party after the election.

If Yamahana leaves the party, he will be the first ex-SDP chairman to do so, which is likely to prompt some SDP members loyal to Yamahana to follow suit.

The SDP currently forms the tripartite coalition with the Liberal Democratic Party headed by Foreign Minister Yohei Kono and New Party Sakigake led by Finance Minister Masayoshi Takemura.

### Rebel Leader Yamahana Quits

*OW0905091795 Tokyo KYODO in English*
*0849 GMT 9 May 95*

[FBIS Transcribed Text] Tokyo, May 9 KYODO — Former Social Democratic Party [SDP] [Social Democratic Party of Japan, SDPJ] Chairman Sadao Yamahana, leader of a rebel group which sought unsuccessfully to form a new party, said Tuesday [9 May] he is leaving the party.

Yamahana, whose efforts to swiftly create a new party were foiled by the killer earthquake that ravaged Kobe and its vicinity in Western Japan in January, told a press conference that he will submit a formal resignation to the party Wednesday.

An SDP group led by Yamahana was on the verge of taking an initial step toward quitting the SDP, headed by Prime Minister Tomiichi Murayama, in order to create a new "liberal and democratic" party when the Jan. 17 great Hanshin earthquake forced them to suspend their move.

His group, the New Democratic League, has since lost momentum and virtually collapsed amid the turmoil following the quake, which devastated the major port city of Kobe and surrounding areas.

"I bear heavy responsibility as leader of the New Democratic League and of the move toward a new party," he told the press conference.

Yamahana had called for the innauguration of the proposed new party before the July election of the House of Councillors, but has given up the plan since the earthquake.

He is expected to remain an independent member of the House of Representatives for the time being.

Yamahana is the second SDP legislator in two days to offer to quit the party following Tetsuo Kitamura, a House of Councillors member, Monday.

The moves may inspire some reformists within the party to follow suit and could trigger a new round of political realignment, political analysts said.

### Yamahana Decision Examined

*OW0905122195 Tokyo KYODO in English*
*1156 GMT 9 May 95*

[FBIS Transcribed Text] Tokyo, May 9 KYODO — Former Social Democratic Party (SDP) [Social Democratic Party of Japan — SDPJ] Chairman Sadao Yamahana said Tuesday [9 May] he is leaving the party to take responsibility for the aborted attempt to create a new party before the July election of the House of Councillors.

Yamahana, whose efforts to swiftly create a new party were foiled by the killer earthquake in January, told a press conference that he will submit a formal resignation to Secretary General Wataru Kubo on Wednesday.

An SDP group led by Yamahana was on the verge of taking the initial step toward quitting the SDP, headed by Prime Minister Tomiichi Murayama, in order to create a new "liberal and democratic" party when the Jan. 17 great Hanshin earthquake forced them to suspend their move.

His group, the New Democratic League, has since lost momentum and virtually collapsed amid the turmoil following the quake, which devastated the major port city of Kobe and surrounding areas.

"I tried to establish a third pole for Japanese politics, neither conservative nor neo-conservative, but unfortunately failed to realize my plan," he told the press conference. "I thought I should take the responsibility for that."

Yamahana had called for the inauguration of the proposed new party before the July election of the upper house but has given up the plan since the quake.

He said he will remain an independent member of the House of Representatives for the time being and continue to work at rallying "liberal" lawmakers into an alliance.

Yamahana is the second SDP legislator in two days to offer to quit the party following Tetsuo Kitamura, a House of Councillors member, Monday.

He said he will assume the posture of an opposition legislator to the Murayama government but left open the possibility that he may rejoin the SDP after it transforms itself into a new party as proposed.

The moves may inspire some reformists within the party to follow suit and could trigger a new round of political realignment, political analysts said.

Murayama took Yamahana's long-anticipated defection in stride, saying it will have little effect on his power base.

"Solidarity of the party is good nows before the upper house poll," Murayama told reporters. "I am not looking for any big impact."

Some political analysts say Yamahana's move might lead to a wider rift within the party between those who want to maintain the current coalition with the conservative Liberal Democratic Party (LDP) and new party Sakigake, and those who seek to review the relationship with the LDP.

In any case, Yamahana no longer has the political clout to wield a strong influence over the course of the expected political realignment, experts say.

## North Korea

### Foreign Media on KPA Mission NNSC Statement

*SK0605071195 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 4 May 95*

[FBIS Translated Text] On 3 May, news agencies and broadcasts in many nations reported on the statement of the Panmunjom mission of the Korean People's Army [KPA] pertaining to the U.S. act of persistently going against our proposal for a new peace arrangement system.

Cuba's PRENSA LATINA pointed out that in a statement, the KPA's Panmunjom mission denounced the U.S. maneuvers going against the new peace arrangement proposal put forward in April last year. It continued: The statement rejected maneuvers of the U.S. side which has canceled its plan for phased reduction of U.S. Forces in South Korea and which is accelerating military arms buildup. By bringing thousands of military personnel into the DMZ every day, the U.S. side is perpetrating military provocations against the DPRK. The news agency also reported on steps taken by the KPA's Panmunjom mission.

Japan's KYODO News Agency has reported: In a statement, the KPA's Panmunjom mission pointed out that it completely sealed off the office, the lounge room, and recreation room of the Neutral Nations Supervisory Commission [NNSC] at Panmunjom under its control.

The statement also declared that the members of the U.S. side, reporters, and members of the NNSC are totally banned from coming to the section of the North Korean side in Panmunjom Joint Security Area without permission.

The KPA's Panmunjom mission warned that if the U.S. side remains an onlooker to the arms reinforcement and military provocations by the South Korean puppets in the South side of DMZ, the mission will take steps concerning its position in the DMZ to cope with them.

Japan's NHK broadcasts; AP and UPI in the United States, Voice of America broadcast; Voice of Russia broadcast, and BBC broadcast and ROUTER in England, reported on the statement.

### U.S. Warned Against Arms Deployment in ROK

*SK0905015395 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 8 May 95*

[FBIS Translated Text] According to a Seoul radio report, the United States has decided to deploy equipment for a heavy weapons brigade in South Korea beginning 15 May.

New military equipment of various kinds, such as 130 M-1 A-1 tanks, and M-2 combat armored personnel carriers for infantry troops will be included in the equipment that will be deployed this time.

A U.S. Forces officer in South Korea disclosed that the United States would introduce such new military equipment into South Korea through Pusan and other harbors and that they will reach U.S. military bases by the end of August.

At the present moment, while continuing to augment its arms in South Korea, the United States is unhesitatingly bringing the situation to the dangerous phase of war.

As is known, the United States recently introduced 20 units of multipurpose high-speed mobile vehicles into South Korea under the pretext of modernizing the U.S. Forces in South Korea, and has further decided to introduce 500 more such vehicles in the future. Thus, it has decided to bring into South Korea, 150 Abrams tanks by May and 24 Apache attack helicopters by this year.

The United States has also publicly clamored that it will continue implementing the plan to improve the firepower of M-1 tanks and for the third-phase plan to produce ultramodern Patriot missiles, which are pointed toward the Korean peninsula.

Showing that there is no change in the ulterior motive of the United States to crush the Republic, the aim of the United States, far from faithfully implementing the DPRK-U.S. framework agreement, adheres to the undisguised maneuver to boost its arms, and is nowhere else to be found. Such a military move by the United States is the desperate expression of its silly, wild fancy to apply pressure on us and to open a phase which is favorable to them, by using military threats, such as arms build-up.

This notwithstanding, they can not frighten us with any military threat. The United States should not act recklessly, and should keep clearly in mind that those who enjoy playing with fire will themselves be burned to death.

### KCNA Views 'Military Threat'

*SK0905044295 Pyongyang KCNA in English
0419 GMT 9 May 95*

["Undisguised Arms Buildup" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 9 (KCNA) — The United States decided to deploy the heavy combat equipment for one brigade in South Korea from May 15, according to a radio report from Seoul.

Involved in them are more than 130 M1A1 tanks, M2 armoured vehicles for infantry and other new types of miltiary hardware.

An official related to the U.S. troops present in South Korea said that the United States is planning to ship them into South Korea via Pusan and other ports and deploy them in the U.S. military bases by the end of August.

Such ill-boding military movement of the United States shows that its real intention to stifle the DPRK remains unchanged; it is an expression of its desperate efforts to realize the foolish dream for putting pressure on the DPRK with military threat such as arms buildup and opening a phase favourable to the United States.

The United States must stop running wild, bearing in mind that any military threat cannot frighten us and that those who like to play with fire are bound to be burned to death.

### U.S. Criticized for Military Exercise With ROK

*SK0905041795 Pyongyang Korean Central Broadcasting Network in Korean
1225 GMT 8 May 95*

[Commentary by Yun Pyong-son: "Those Who Enjoy Playing With Fire Are Bound To Be Burnt to Death"]

[FBIS Translated Text] The U.S. warmongers and the Kim Yong-sam puppet clique are venturing another extremely dangerous joint military exercise against us in South Korea. Eight thousand U.S. imperialist, aggressive forces and 4,500 South Korean puppet army forces will be mobilized in this war exercise which starts on 8 May. The U.S. warmongers and the puppets are colluding in this war exercise which infringes upon peace and is an adventurous game with fire to all the more drive the situation on the Korean peninsula to the brink of war.

The world currently hopes for peace. In particular, the world's people are expressing deep concern over the war maneuvers being committed on the South side of the Korean peninsula where the danger of a thermonuclear war is most intense, and are strongly demanding a stop to them.

Right at this time, the United States and the South Korean puppets are once again holding a large-scale fire game. This is an open provocative act and indeed a grave challenge toward the people at home and abroad who desire peace and reunification on the Korean peninsula. Moreover, the fact that this war exercise is a repetition of the "Team Spirit" joint military exercise cannot but be regarded as grave.

The United States and the South Korean puppets say that this war exercise replaces the "Team Spirit" joint military exercise which has temporarily been suspended, and openly babbles that this is being carried out under the purpose of deploying U.S. Forces on the Korean peninsula. This tells us that this war exercise is an extremely dangerous nuclear war exercise aimed at invading the North.

As everyone knows, the "Team Spirit" joint military exercise committed up-to-date means for war including nuclear weapons and a massive force which enable it to easily carry out a complete war. Under such conditions, this exercise is a very reckless nuclear test war and preliminary war simulated to commit a surprise nuclear blow against us. Whenever the "Team Spirit" joint military exercise was carried out in the past, an acute touch-and-go situation which the world's people closely observed with sweating hands, was created on the Korean peninsula.

Today, the U.S. imperialists and the South Korean puppets are holding a new joint military exercise which is a replica of the "Team Spirit" war exercise and are dragging in many aggressive forces from overseas, thus raising a commotion for a war to invade the North. This correctly shows that they are trying to provoke a nuclear war against us on the Korean peninsula without fail.

The United States is holding the joint military exercise along with the puppets. This runs counter to their promise to us. As everyone knows, the United States officially guaranteed that it would not use nuclear weapons and would not threaten us with nuclear weapons in the DPRK-U.S. agreed framework adopted in October 1994. Nevertheless, the United States violated the agreement on its own and is moving toward the road of destroying the agreement through its actions in trying to realize its aggressive ambitions.

The Kim Yong-sam ring — a dirty colonial cat's paw — which is suffering from serious crises from being isolated and denounced at home and abroad, is trying to find a way out of the war commotion. Along with the U.S. imperialists, it is also trying to impose nuclear calamities on fellow countrymen and trying to spread the colonial fascist ruling system of South Korea throughout the whole region of Korea.

Having held various war exercises continuously in the air, ground, and sea of South Korea, the U.S. warmongers and the South Korean puppets are even going to hold a new war exercise in place of the "Team Spirit" joint military exercise, and are intentionally aggravating a tense situation. This is an open expression of an anachronistic fantasy to realize its dirty scheme of lighting the fuse for a war to invade the North.

Even if the rascals hold the second and third "Team Spirit" war exercise and make military threats, our people will by no means be surprised. We have the might of single-hearted unity which cannot be smashed and the one-a-match-for-100 revolutionary force equipped with modern offensive and defensive means.

If the rascals light the fuse of war regardless of our repeated warnings, our people will pay the provokers back a thousandfold in punishment. Those who enjoy playing with fire are bound to be burned to death. The U.S. warmongers and the Kim Yong-sam ring must stop the foolish act of hunting for misfortune and running into fire, and act with discretion.

### Papers React to Joint Exercise

*SK0905045495 Pyongyang KCNA in English 0428 GMT 9 May 95*

["Papers Flail Joint Military Manoeuvres of U.S. Imperialists and South Korean Puppets" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 9 (KCNA) — The U.S. imperialists and the South Korean puppets Monday launched into the two week-long new joint military manoeuvres involving 8,000 U.S. troops present in South Korea and 4,500 South Korean puppet troops, claiming that the manoeuvres are a substitute for the suspended "Team Spirit" joint military rehearsal.

Papers here today in signed commentaries describe the manoeuvres as a war gamble against the North, which is designed to deliberately render the situation on the Korean peninsula strained.

The analyst of NODONG SINMUN says:

Upset by the fact that the DPRK-U.S. framework agreement was adopted and its implementation is on the order of the day, the South Korean puppets who have no real power to settle the nuclear issue on the Korean peninsula have laid difficulties in the way of the implementation of the agreement with the insistence on the provision of non-existent "South Korean-Model" light water reactors and aggravated the situation on the Korean peninsula.

While spoiling the atmosphere created for the implementation of the agreement, the puppets have zealously asked the United States for the "resumption" of the "Team Spirit" manoeuvres, charging that the North is not implementing the agreement. As a consequence, the current joint military manoeuvres, the revamped version of the "Team Spirit" manoeuvres, saw the light. All this proves that the U.S. has no willingness to keep its promise with the DPRK, but is still trying to stifle the latter by force of arms. It also shows that the desperate efforts of the traitorous Kim Yong-sam clique to block the implementation of the DPRK-U.S. framework agreement have reached a very dangerous phase.

The traitorous Kim Yong-sam clique should discontinue its criminal act of deliberately aggravating the situation on the Korean peninsula.

The saying goes, "a puppy knows no fear of the tiger."

We warn the warmaniacs not to act rashly, but act with discretion.

MINJU CHOSON says that if the United States and the South Korean bellicose elements dare provoke us, they will have to pay dearly for it.

### Called 'Reckless War Exercise'

*SK0905054295 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 8 May 95*

[FBIS Translated Text] According to a radio report from Seoul, yesterday [8 May] the United States and the South Korean puppets began another new joint military exercise in South Korea.

This war exercise, which is mobilizing 8,000 U.S. troops and some 4,500 South Korean puppet army troops, is a drill to effectively use the reinforced military strength deployed from the U.S. mainland and other areas in the event of an emergency, and will reportedly last for two weeks.

The U.S. imperialists and the South Korean puppets announced this joint military exercise as early as mid-April, and also made public that it would be a joint military exercise to replace the suspended "Team Spirit" joint military exercise.

By continuously introducing war equipment from the United States, the U.S. imperialists and the South Korean puppets are successively kicking up a reckless war exercise commotion on the ground, in the air, and on the sea of South Korea by mobilizing a large-scale movement of military troops toward the northern half of the Republic.

This clearly shows that the U.S and South Korean bellicose elements are leading the situation on the

Korean peninsula to the road of more adventurous confrontation and are aggravating tension.

### PRC, Japanese Groups on U.S. Presence in ROK

*SK0905103195 Pyongyang KCNA in English 1026 GMT 9 May 95*

["Korea Should Be Reunified Early" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 9 (KCNA) — Different delegations and tourists from China and Japan visited Panmunjom before unanimously saying that U.S. troops must withdraw from South Korea at an early date and Korea should be reunified without fail.

Zheng Yuliang, chief of the Jilin City Public Security Bureau of China and head of a delegation of the bureau, said he hoped that the North and the South of Korea will be reunified as early as possible. "This is the common desire of the people in the North and the South of Korea and an inevitable demand of the history," he said, and continued:

"We believe that the Korean people will surely reunify the country, true to the behests of the great leader Comrade Kim Il-song."

Motoo Uno, a member of the 25th tourist group from Japan, said that the U.S. stationed its troops in South Korea by usurping the name of the UN and divided Korea. He continued:

"I hope that this abnormal situation will be removed in the Korean peninsula."

A member of the first Yanji tourist group from China said that the U.S. troops must withdraw from South Korea at once so that the reunification of Korea may be realised at an early date.

A member of the 1st Jian tourist group from China demanded an immediate withdrawal of the U.S. troops from South Korea, saying:

"We will make all efforts for the independent and peaceful reunification of Korea at the earliest date."

### 'Hanchongnyon' Holds Meeting for Third Term

*SK0705082095 Pyongyang KCNA in English 0813 GMT 7 May 95*

[FBIS Transcribed Text] Pyongyang, May 7 (KCNA) — An inaugural meeting of the third-term South Korean Federation of General Student Councils (Hanchongnyon) was held at Kyongbuk National University in Taegu on May 5 with the participation of more than 50 000 students in South Korea, a Seoul based radio report said.

The inaugural meeting was held at 8 in the evening after a lecture, a seminar and concert.

At the meeting students spoke of social and political affairs, denouncing the present "civil" ruling circles. They said the "incompetence of the Kim Yong-sam government was brought to light.

They condemned the present "government" for attempting to reduce and cover up the subway gas explosion in Taegu which inflicted tragic disasters upon many people and vowed to conduct a signature campaign to probe the truth behind the accident and combine the struggle for making clear the accident and calling it to account with the movement for resignation of the Kim Yong-sam "regime".

The students shouted the slogan "Down with the Kim Yong-sam 'regime'".

Chairman of the General Student Councils of Korea University Chong Tae-hung was elected chairman of the third-term "Hanchongnyon" at the meeting.

A congratulatory message sent by the Korean Students Committee to the inaugural meeting was conveyed.

Earlier, the students at the gathering on the evening of May 4 denounced the Kim Yong-sam clique's flunkeyist and treacherous market opening for agricultural and animal products and U.S. pressure to open market.

### Publishes Agreement on Tasks

*SK0805074595 Pyongyang KCNA in English 0503 GMT 8 May 95*

[FBIS Transcribed Text] Pyongyang, May 8 (KCNA) — An agreement of the meeting of the co-chairmen of the National Alliance of Youth and Students for the Country's Reunification (Pomchonghangnyon) was published on the occasion of the inaugural ceremony of the third-term South Korean Federation of General Student Councils (Hanchongnyon), according to a report.

It was reached at a meeting of the co-chairmen of the North, the South and overseas of Pomchonghangnyon held from March 31 to April 2.

The agreement said that Pomchonghangnyon vowed to successfully carry out the mission and role of the first generation of reunification by brilliantly adorning 1995 as a "year of realizing the reunification" which will open up a prelude to reunification for the entire fellow countrymen through a grand reunification march of the youth and students in the North, the South and overseas united under the banner of great national unity, and set forth its keynote tasks and orientation.

The agreement indicated the political and organisational tasks of the Pomchonghangnyon movement for 1995.

The political task is to take the lead in the struggle for the implementation of the DPRK-U.S. framework agreement, a conclusion of a peace agreement and peaceful reunification and wage a powerful struggle for the abolition of the "National Security Law" and the release of the unconverted long-term prisoners and other prisoners of conscience.

The political task is also to develop an independent exchange of youth and students in the North, the South and overseas for great national unity and take the lead in the struggle to reach a nationwide agreement on the way of reunification by pooling their will of reunification.

The organisational task is to normalise the operation of the central organisation such as the meetings of the co-chairmen and the executive committee in order to promote the work of Pomchonghangnyon strictly based on the solidarity of the three parties, and consolidate and expand the foundations of massive support to the work of Pomchonghangnyon by enhancing the function and role of all regional organisations and thoroughly executing their decisions.

As a main task of Pomchonghangnyon, a meeting of youth and students in the North, the South and overseas to achieve national reunification and oppose the revival of Japanese militarism will be held in Seoul on June 3 when a grand seminar on reunification and a movement for reunification declaration will be organized, and a grand reunification festival of Pomchonghangnyon for independence, peaceful reunification and great national unity of the country shall be held at Panmunjom on August 15.

And a struggle for excursion to the tomb of King Tangun shall be waged on the day of Tangun's accession (October 3), Paektu-Halla expeditionary corps activities be conducted on August 15, the 50th anniversary of the liberation of the country and a photo and fine art works exhibition of Pomchonghangnyon and other colorful functions including a photo and fine arts exhibition held to greet the year of reunification.

### 'Fascist Outrage' on Hanchongnyon Denounced

*SK0705083695 Pyongyang KCNA in English*
*0830 GMT 7 May 95*

["Fascist Outrage To Wipe Out Hanchongnyon" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 7 (KCNA) — The Kim Yong-sam fascist clique on May 4 arrested five graduates from Cheju National University on the strength of the notorious "National Security Law" for the reason that they followed the chuche idea, and demanded an eight-year imprisonment and suspension of qualification for Kim Hyon-chun, former chairman of the South Korean Federation of General Student Councils (Hanchongnyon).

This is under fire in Pyongyang-based papers today.

An analyst of NODONG SINMUN says that this is an outrage of the "civilian-veiled" fascist dictatorship which has ruthlessly trampled underfoot justice and patriotism and an intolerable anti-national, anti-reunification crime of inciting confrontation and opposing reunification.

Followers of the chuche idea can be seen in any continent and in any country. Nevertheless, the Kim Yong-sam puppet clique is launching a wholesale suppressive campaign against the followers of the chuche idea. This proves that the Kim Yong-sam puppet clique is a group of villains who are ignorant of philosophy and politics and a group of traitors who openly resort to North-South confrontation and bayonet-brandishing for the maintenance of power.

The Kim Yong-sam group is now stretching out the tentacle of suppression to champions of independence, democracy and reunification, branding them as forces "sympathising with the north's arguments. This is a criminal act opposing great national unity and denying reunification itself.

An analyst of MINJU CHOSON urges the Kim Yong-sam group to stop its fascist crackdown upon Hanchongnyon and youths and students at once and release Kim Hyon-chun and other patriotic students without delay.

### 'Struggle To Bring Down' Regime in ROK Urged

*SK0805130895 Pyongyang Korean Central Broadcasting Network in Korean*
*0651 GMT 6 May 95*

[Unattributed talk: "The Fascist Puppet Regime Should Be Weeded Out for the Local Autonomous System as Desired by the Masses"]

[FBIS Translated Text] Movements to hold current local autonomous elections as a way to judge the subordinating and fascist Kim Yong-sam treacherous regime are now cropping up in South Korea, thereby opening the road for a true local autonomous system.

As is known, South Koreans called for the local autonomous system in the hope of breaking away from the dictatorial regime's centralistic fascist rule and of achieving democracy while at its lowest point. However, the question is whether the people's desire can be achieved under conditions in which the outside forces' colonial ruling system and the atrocious civilian fascist regime exist in South Korea, with the dictatorial system being woven all the way to the bottom. The current situation in South Korea provides a negative answer.

As is known, a ruthless, colonial fascist rule now takes place in South Korea. The traitor Kim Yong-sam's puppet regime, which pretends to be a civilian regime, is a subordinative regime more dependent on outside forces than such preceding military dictatorial regimes as those of the puppet traitors Pak Chong-hui, Chon Tu-hwan, and No Tae-u; it is a fascist regime that has inherited the military fascist system. Under the Kim Yong-sam puppet regime, which is a political prostitute, fascist rule, and a one-person, one-party dictatorship run rampant. Thus, democracy is infringed upon and the people are plagued with no rights at all. These are closely linked to the outside forces' colonial rule.

The puppet traitor Kim Yong-sam, from the time he seized power, babbled about civilian politics and raved as if he would carry out politics for the masses entirely different from those of the preceding military dictatorial regimes. However, from the first day he took office he went against the South Korean people's opinion, maintained the fascist ruling system as in the time of the military dictatorial regimes, and unfolded a new fascist situation called a new political situation dominated by security affairs, thus brutally cracking down on the South Korean people who called for independence, democracy, and reunification.

As the entire world knows, those who called for the punishment of the traitors Chon Tu-hwan and No Tae-u, human butchers and the chief culprits of the Kwangju massacre, were suppressed by the civilian fascist dictator; the struggle to oppose the opening of the rice market, which is the South Korean farmers' and people's lifeline, became a baptism of bayonets. Even those who tried to abide by moral principles in the time of the fellow countrymen's tragic incident were put behind bars. It is a consistent opinion of the South Koreans that even if the local autonomous system is implemented, there is nothing to expect under the flunkeyist and treacherous Kim Yong-sam puppet regime.

The notorious National Security Law, a fascist, evil law, and the Agency of National Security Planning [NSP], a suppressive organ and hotbed of conspiracy, exist in South Korea, deterring the road to the development of democracy. South Korea's reactionary National Security Law and puppet NSP are under cloak as if they are for so-called security. However, in actuality they are basic means for the maintenance of the puppet regime. The National Security Law, which stipulates the fellow countrymen in the North as the enemy, is an antinational and antireunification law enacted to oppose us and deny reunification; to crack down on progressive forces in South Korea, the obstacle of its fascist rule, by linking them with us; to crush antigovernmental organs; and to maintain and prolong its antipopular regime. Because of this evil law, the development of democracy in South Korea has been severely deterred and suppressed, and innocent people calling for patriotism and justice have been arrested and put behind bars, being falsely accused.

The puppet NSP is a hotbed of conspiracy in which even a crying child will stop crying upon hearing its name; it is a fascist suppressive organ for the maintenance of the puppet regime. As has already been exposed, the puppet NSP has hatched a plot not only at a time when the ruling crisis deepens and important political incidents such as elections occur, but also at the usual time to try to obtain information from social and political circles and to closely watch what the people are doing, thus inflicting harm on and killing antigovernmental forces. In connection with the current local autonomous elections, the puppet NSP has already intervened in the elections by attempting to delay the elections according to the Kim Yong-sam ring's scenario, and is madly engaged in a maneuver to vilify the opposition candidates.

It is clear to everyone that, as long as the reactionary National Security Law and NSP remain intact, the local autonomous elections will not be carried out fairly, and even if new local autonomous organs are newly organized, problems cannot be solved in accordance with the South Korean people's opinion.

The puppet Kim Yong-sam ring has no scruples about doing anything to consolidate its long-term seizure of power and to guarantee the safety of its fascist dictatorial rule by managing local, ruling bodies in South Korean cities, counties, and provinces with its devoted servants.

All these facts offer the serious lesson that, under conditions in which the disgraceful, fascist ruling system and the Kim Yong-sam treacherous regime exist, and the National Security Law, the notorious evil law of the century, and the puppet NSP persist, the local autonomous system by which the South Korean people aspire to realize democracy cannot be achieved.

It is clear that when an independent, democratic regime is established in South Korea, the local autonomous system will be implemented as desired by the people.

It is entirely just that the South Korean people vigorously wage the struggle to bring down the Kim Yong-sam puppet regime, to abolish the National Security Law, and to dissolve the puppet NSP, holding aloft the banner of antifascist democratization with the current local, autonomous elections serving as momentum.

### VNS Reports on Condemnation of Kim Yong-sam

*SK0805151195 Pyongyang KCNA in English*
*1506 GMT 8 May 95*

[FBIS Transcribed Text] Pyongyang, May 8 (KCNA) — People from different walks of life in South Korea have condemned the traitor Kim Yong-sam's anti-national, anti-reunification deed, a Seoul-based Voice of National Salvation [VNS] report said.

Father Pak Song-kyong of the Korean Catholic Priests' Association for Justice said he could not but express deploring and astonishment at the fascist outrage of the Kim Yong-sam group which is persecuting leader of Taejonggyo An Ho-sang and Chairman of the National Council for Reunification and Restoration Kim Son-chok of South Korea after their trip to the northern half of the country.

"I became convinced that a genuine dialogue between the South and North is impossible as long as the Kim Yong-sam group, which is labelled as a group of villains little different from brutes, remains in power," he said.

"Kim Yong-sam must immediately stop playing with 'dialogue', which is aimed at deceiving people and maintaining his regime, and step down from power," he demanded.

Kang Yong-hwan, a retired professor residing in Seoul, said: "It is preposterous for Kim Yong-sam to call for 'dialogue' while depending on outside forces and desperately trying to isolate and stifle the dialogue partner in league with them".

"Kim Yong-sam's talk about 'resumption of dialogue'," he said, "is nothing but a drama to pacify people's displeasure at the South-North relations worsening due to his anti-national, anti-reunification and anti-ethical policy hostile towards the North."

With the traitor Kim Yong-sam left alone it is impossible to expect the reunification of the country, he declared.

### VNS on Kim Chong-il Role in Japanese Accord

*SK0905100995 Pyongyang KCNA in English*
*1004 GMT 9 May 95*

[FBIS Transcribed Text] Pyongyang, May 9 (KCNA) — A university professor, Kim Chol-chin, and a dissident, Chong In-mo, of South Korea ascribed the adoption of the agreement between the delegation of the Workers' Party of Korea and the delegation of the three ruling coalition parties of Japan for resumption of DPRK-Japan talks to the wise guidance of the great leader Comrade Kim Chong-il, the Seoul-based radio Voice of National Salvation [VNS] reported.

Kim Chol-chin said the North pursues independent diplomacy on the basis of the independent politics of the great leader General Kim Chong-il, always placing the dignity and interests of the nation above anything else.

"It is strikingly clear that the agreement adopted by the DPRK and Japan is a result of General Kim Chong-il's skillful diplomatic strategy based on his philosophy of independent politics," he said.

Chong In-mo said the victory of the North shows that the dignity of a country depends on the greatness of its leader, not on the dimensions of its territory or the number of its population.

The North has become the strongest in the world as it is led by General Kim Chong-il, he said.

The North is not frightened by nor yields to pressure and "sanctions" from a superpower, he noted, adding he is proud of being a member of the nation led by the great General Kim Chong-il.

### Uzbek Koreans Support Reunification Festival

*SK0605101495 Pyongyang KCNA in English*
*1008 GMT 6 May 95*

[FBIS Transcribed Text] Pyongyang, May 6 [KCNA) — Hwang Song-pok, chairman of the Committee of Korean War Veterans in Uzbekistan, and Yu Kyong-mo, chairman of the Kuichitchik District, Tashkent, Korean Association (Unity) in Uzbekistan, released statements supporting the appeal adopted at a joint meeting of political parties and organizations of the Democratic People's Republic of Korea.

They said if Koreans in the North, South and overseas gather to celebrate the 50th anniversary of the country's liberation, it will be a good occasion in removing distrust and misunderstanding between the North and the South, achieving reconciliation and unity and realising national reunification.

Noting that it is the "National Security Law" of South Korea that obstructs great unity and reunification of the nation, they called for a nationwide struggle for its abolition.

Saying that to accomplish the cause of reunification in the 90s is a task of the whole nation, they vowed to actively contribute to successfully holding the August

15 Grand Reunification Festival and reunifying the country at an early date.

Meanwhile, a letter supporting the appeal came from Choe Chung-son, a Korean resident in Tashkent.

### Daily Urges Achieving 'Early' Reunification

*SK0805074895 Pyongyang KCNA in English 0441 GMT 8 May 95*

["NODONG SINMUN on Accelerating National Reunification " — KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 8 (KCNA) — NODONG SINMUN on Sunday calls for achieving the reunification of the country at an early date, upholding the great leader Comrade Kim Il-song's cause of reunification.

It says:

Basing himself on a scientific penetration into the essence, character and prospect of the reunification of Korea, Comrade Kim Il-song clarified the three principles of national reunification — independence, peaceful reunification and great national unity — and put forward the basic principle of the method of reunifying the country by the formula of confederation based on one nation, one state, two systems and two governments according to them, and the proposal for founding the Democratic Confederal Republic of Koryo, its embodiment. And he personally authored and published the ten-point programme of the great unity of the whole nation in order to open the door of reunification with concerted efforts of the nation.

Comrade Kim Il-song laid down the most just principle, programme and way of national reunification and powerfully aroused all the compatriots in the North, the South and abroad to the struggle for their materialisation and thus, completely converted the movement for national reunification into a nationwide one.

He passed away to our regret, before seeing the day of reunification he had wanted so earnestly. But he laid the eternal cornerstone for the reunification and prosperity of the country by successfully solving the question of inheritance of the cause of national independence. This is the greatest and most brilliant feat among the feats he performed through his devoted struggle to accomplish the cause of national independence all his life.

To reunify the divided country is a noble cause to which Comrade Kim Il-song devoted all his life and an urgent supreme task of the nation the solution of which brooks no further delay [sentence as received].

Respected Comrade Kim Chong-il, the great leader of the nation and the lodestar of national reunification, who is in the mind of the fellow countrymen, with the very image of Comrade Kim Il-song, is standing in the van of the struggle of the Korean people to realize the latter's cause of reunification.

All the Korean compatriots at home and abroad will surely achieve the reunification in the 90s through a powerful, nationwide grand march for reunification under the wise leadership of the great leader Comrade Kim Chong-il, upholding the three principles of national reunification and the ten-point programme of the great unity of the whole nation indicated by the great leader Comrade Kim Il-song, and thereby, realize Comrade Kim Il-song's behests on reunification and the historical cherished desire of the 70 million fellow countrymen without fail.

### ROK Human Rights 'Infringement' Deplored

*SK0605124195 Pyongyang Korean Central Broadcasting Network in Korean 0653 GMT 5 May 95*

[Unattributed talk: "Traitor Kim Yong-sam's Intolerable Fascist Infringement Upon Human Rights"]

[FBIS Translated Text] The Kim Yong-sam ring is clamoring as if murderous torture were banned and human rights guaranteed in South Korea at present.

This notwithstanding, today workers and peasants, who are demanding the basic right to survive, are dragged to prison; youths, students, and patriotic people who have called for independence, democracy, and national reunification are being tortured medieval-style in unidentified cells, and are receiving merciless punishment in murderous court rooms and prisons.

No matter how hard the Kim Yong-sam ring may stress the ban on torture and guarantee human rights behind the facade of the so-called civilian government, the ring is not even entitled to talk about human rights as long as the National Security Law, the worst antinational, evil law in South Korean history, and the Agency for National Security Planning [NSP], which is the headquarters for the infringement of human rights, still exist.

Today in South Korea, the wanton infringement upon democracy and human rights is regarded as legal; a typical, evil law representing this is the National Security Law.

The reactionary National Security Law is the Kim Yong-sam ring's means for survival and the lifeline of its fascist rule.

By invoking the fascist, evil law, the Kim Yong-sam ring ruthlessly suppresses even South Korean workers who demand the basic right to survive.

On 23 and 26 June 1994, the Kim Yong-sam fascist clique mobilized several thousands of combat police to the scene of a demonstration of railway workers, dispersed the participants, and arrested approximately 730 people in Taejon and Taegu. For two days, 28 and 29 June alone, the clique inflicted indiscriminate suppression on workers at the Maryknoll Hospital in Pusan, the Kumho Tire Plant, and the Daewoo Electric Appliances Plant; mobilized combat police and helicopters; and arrested approximately 140 people, including union chairmen. This is a well-known fact.

According to data downsized and released by the puppet Ministry of Labor, by invoking the fascist, evil law during 1993, the Kim Yong-sam ring dealt judicially with as many as 14,500 labor movement officials and workers who demanded the right to survive and the right to democracy.

It is by no chance that one Korea University professor deplored the Kim Yong-sam ring's fascist barbarous suppression, stating: At least in terms of labor-management relations, it is clearly revealed that the Kim Yong-sam government is an antidemocratic, authoritarian regime. Where else in the world can such a government arrest all the organizers of a strike, cast a dragnet, and offer rewards for [wanted workers], even though they have engaged in a legal strike? Where else in the world can such democracy be practiced?

The human rights situation in South Korea is becoming more serious with each passing day. The Kim Yong-sam puppet clique's atrocious suppression of An Ho-sang, chief of the Taejonggyo religion that worships the legendary Korean national founder Tangun, and his party that visited Pyongyang last April, well shows what stage the human rights situation in South Korea has reached.

With the approval of the South Korean authorities, An Hong-sang and his party contacted our Chondoists on two occasions, in March 1994 and again in February 1995, and discussed their visit to the sacred cite of Tangun. On the basis of their three requests to the authorities to visit Pyongyang, they visited Pyongyang to participate in a spring ceremony to celebrate Ochonjol, a day to honor Tangun. At the request of the authorities concerned, they did not engage in any political activities, nor did they make any political remarks.

This notwithstanding, the Kim Yong-sam puppets in South Korea staged the farce of arresting An Ho-sang and his party as soon as they crossed Panmunjom, and are trying to punish them based on the fascist National Security Law, terming their visit to Pyongyang as an illegal act and a secret entry into the North.

The authorities arrested and judicially dealt with An Ho-sang, who is at the advanced age of 93, and his party that visited the Tangun tomb to participate in a ceremony celebrating the national founder whom they have worshipped as the savior of our destiny for several decades. This corroborates that the National Security Law of South Korea is the most evil law that mercilessly tramples underfoot even the last wishes of a man's life and divests even the freedom of religion that humans can enjoy; the South Korean puppets, who are making ill use of this evil law, are criminals who make a mockery of and desecrate democracy and human rights.

As an appropriate evaluation, the South Korean magazine MAL denounced the government as the greatest ringleader infringing upon human rights, citing evidence of human rights infringement that have been endlessly committed by the Kim Yong-sam ring in recent days.

The puppet Agency for National Security Planning in South Korea also mercilessly infringes upon the human rights of South Koreans. Today's reality in South Korea is that South Koreans cannot live with peace of mind even for a moment under the intelligence network of the puppet Agency for National Security Planning, an invisible den of artifices for shackling human rights.

The South Korean magazine MAL stated: If there were no machinations based on provocateurs, the intelligence gathering activities of the Agency for National Security Planning would cease.

One South Korean college student exposed: The machinations based on provocateurs, demanding that relevant people sell their consciences, are being carried out everywhere by the intelligence agency right at this moment.

The rascals of the puppet Agency for National Security Planning are forcing innocent South Korean college students and people to serve as provocateurs after illegally arresting them and inflicting psychological pressure on them by thoroughly investigating their family background, inflicting torture, and throwing them into prison. The agency has them watch and report on their parents, children, and even their spouses, as well as their friends and neighbors.

In terms of barbarity and cruelty, the atrocious torture carried out in the shut-up rooms of the puppet Agency for National Security Planning outshines wild beasts.

What has been already disclosed to the world are the innumerable kinds of torture such as electrocution; the aircraft torture, in which the tortured is beaten while spinning on a wooded board to which he is tied; the Genghis Khan cuisine torture [Genghis Kan yori komun], in which the tortured is tied upside down over an open flame; the Taekwondo torture; the barbecue chicken torture [tongdakkui koumn]; and the sex torture.

Kim Sam-sok, who was involved in the brother-sister spy case the Kim Yong-sam ring made public before the truth was fully disclosed, exposed the inhuman and atrocious torture performed by the rascals of the puppet Agency for National Security Planning as follows: On several occasions from 15 to 22 September, top and second-ranking investigators forced me to make a false confession by sexually abusing me, brushing my genitals with a tooth brush and touching my genitals in an investigation room and a rest room of the Agency for National Security Planning. They also sexually harassed me in ways beyond description. When the investigators forced me to use my finger to put a seal to a written record that had been falsely concocted, stating I had met with a North Korean, I was forced to put my seal to it even though I resisted the investigators by biting my right thumb.

As long as the Kim Yong-sam puppets concoct cases based on artifices in South Korea, with a view to maintaining its ruling system, the atrocious tortures of the puppet Agency for National Security Planning will be carried out more barbarously; South Koreans will not be able to avoid becoming victims to such a thing.

While leaving intact the legal and institutional devices that infringe upon human rights, the Kim Yong-sam ring is joining international organizations, brazen-facedly clamoring about the protection of human rights at international forums. This is the ring's cunning and deceptive scheme aimed at misleading the public opinion at home and abroad.

The traitor Kim Yong-sam and his stooges should immediately stop acts that infringe upon human rights, acts that lay a grave obstacle to the democratic development of the South Korean society and the reunification of the country while depending upon the fascist, evil law and the agency of artifices for their life; they should step down from power.

### ROK Government Called Pro-Japanese Flunkeyists

*SK0605063595 Pyongyang KCNA in English 0450 GMT 6 May 95*

["Cursed Pro-Japanese Treacherous Act " — KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 6 (KCNA) — The Kim Yong-sam group has printed and circulated many copies of a book containing a map which terms the East Sea of Korea "the Sea of Japan."

Commenting on this, NODONG SINMUN today says:

Such a traitorous act as betraying the sea of Korea to outside forces is a crime of the blackest dye which can be committed only by pro-Japanese flunkeyists and traitors with no sense of national pride.

The news analyst continues:

The term of "the Sea of Japan" was invented by the Japanese imperialists to erase Korea from the world map forever. Then, it has been brought forward again by the Japanese reactionaries bewitched by overseas expansion.

When the issue of terming the East Sea of Korea "the Sea of Japan" in a document of an international conference last year was raised, the puppets, in face of strong protest of the people, said they "withdrew consent" and "nullified it" concerning the issue after making one poor excuse after another.

Now, however, they have openly printed a book containing a map which terms the East Sea of Korea "the Sea of Japan." This clearly proves that their talk about "nullification" was nothing but a masquerade for misleading public opinion and fooling the people and the Kim Yong-sam's is a group of traitors steeped in the pro-Japanese flunkeyist and traitorous idea to the marrow of their bones.

The puppets are now blaring that the term of "the Sea of Japan" does not matter because the map was drawn to explain the "globalization."

Since it came to power, the Kim Yong-sam group of traitors has made desperate efforts to cover up the Japanese imperialists' crime of the aggression on Korea in the past and strengthen the political, economic and military tieup with the Japanese reactionaries, crying for "future-oriented relations" not falling captive to the past.

With such traitors as the Kim Yong-sam group left alone in South Korea, it is inevitable that the South Korean people will suffer again the tragic fate of being a ruined nation.

### Japan Denounced for Forced Labor During WWII

*SK0605080895 Pyongyang Korean Central Broadcasting Network in Korean 1100 GMT 5 May 95*

[FBIS Translated Text] At a working-level meeting on modern slavery held in Geneva, Switzerland on 25 April, a DPRK delegate delivered a speech. He pointed out:

Despite the reality that the real state of the antihuman crimes they committed in the past have clearly been revealed, and that the countries and people afflicted by their crimes are still suffering great mental and physical pain, the Japanese authorities have yet to either make a sincere apology or conduct and make public a thorough investigation into their crimes. Far from doing so, they are trying to deceive public opinion as if the issue of Japan's past crimes has already been resolved, mentioning the so-called San Francisco Treaty and mutual agreements.

The regret and apology recently expressed by some Japanese authorities was but the same deceit that has been repeated whenever necessary to cheat the international community and save face; it was entirely private.

When Japan occupied Korea, it took over six million Korean youths and men in the prime of their lives to Japan, the northeast region of China, Sakhalin, and Southeast Asia, forcing them into slavery. They were forced into hard labor for 12 to 16 hours or more a day in the most difficult sectors of the economy, such as coal mines, mining fields, military bases, and major railway and road construction sites.

The forced labor was not simple forced labor. Numerous are those who died or were deformed because of Japan's maltreatment and its policy on the national obliteration of Korea. The forced abductions and forced labor is another crime of infringing upon human rights committed by Japan, in addition to forced sex slavery.

At last year's working-level meeting, all of us directly listened to the testimonies of Korean and Chinese victims who had been forced by Japan into hard labor. Many victims who were taken by Japan and survived forced labor, as well as their children, are still given unfair and discriminative treatment by the Japanese Government.

Japan's unjust behavior of justifying the antihuman crimes it committed in Asia, instead of conscientiously and completely liquidating them, has further deepened the Asian people's deep-rooted grudge.

While listening to the victims' heartbreaking testimonies about forced slave labor, when tens of years have passed since then, all of us were deeply aware what stain was left on history and what aftermath was brought about by the past crimes that have not yet been repented and liquidated in a timely and conscientious manner.

If Japan had liquidated its past crimes in a timely and conscientious manner, a better atmosphere for cooperation would have been created in Asia. In order for Japan to sincerely apologize to the Asian people for its crimes, the Japanese Diet should adopt and announce a resolution expressing apologies so it can be a comprehensive official apology. The Japanese Government should also make a thorough investigation into all crimes—including those concerning nearly 200,000 comfort women, over six million victims of forced labor, and over one million victims of massacres—not because they were urged to by the victims and by the international community, but on its own initiative. It should also make public the results of the investigation, apologize for the crimes, punish the criminals concerned, and make international compensation on its own volition. This would be a rightful act of the Japanese Government.

## 50th Anniversary of War Against Germany Marked

*SK0905044495 Pyongyang KCNA in English 0434 GMT 9 May 95*

["50th Anniversary of Victory in War Against Germany" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 9 (KCNA) — Papers here today dedicate articles to the 50th anniversary of the victory in the war against Germany.

A signed article of NODONG SINMUN says:

The Soviet people and army, shouldering the heavy burdens of the Second World War, heroically fought, bravely surmounted the rigorous trials of the motherland and defeated the fascist aggressors and thus greatly contributed to liberating peoples of many countries from the fetters of fascism and saving the world civilisation.

Fifty years have passed since the defeat of fascist Germany. In this period, tremendous changes have taken place in the world.

Peoples aspire after independence and socialism. This is an immovable trend of history.

But the old forces who are trying to turn back the trend of history are still remaining in the world. They are trying to establish their dominationist world order, fussing about the "end of socialism" with regard to the collapse of socialism and the revival of capitalism in some countries. And they are tenaciously scheming to stifle those countries which advance along the road of independence by means of political pressure, economic blockade and military threat and blackmail and are giving rise to national and regional disputes, division and armed conflicts in all parts of the world. This is aggravating the tension and threatening world peace and security.

Facts show that the nature of imperialism has never changed and aggression and plunder are still the way of its existence.

Only when people wage a powerful struggle for peace against war and nuclear weapons in firm unity will the moves of the imperialists face failure.

A signed article of MINJU CHOSON says that the victory of the Soviet people in the patriotic war proves that no imperialist aggressors can bring to their knees the heroic people who turn out as one in the sacred struggle to defend the sovereignty of the country and the dignity of the nation.

People will certainly accomplish their just cause of building a free and peaceful, new world against the imperialists' aggression and war, the article stresses.

### Anniversary of Relations With Thailand Marked

*SK0805104295 Pyongyang KCNA in English 1036 GMT 8 May 95*

["20th Anniversary of Establishment of Korea-Thailand Diplomatic Relations Marked" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 8 (KCNA) — Pyongyang- based newspapers today dedicate signed articles to the 20th anniversary of the establishment of diplomatic relations between Korea and Thailand.

NODONG SINMUN says the establishment of diplomatic relations was a manifestation of the Korean and Thai people's aspiration and desire to have bonds of friendship and develop cooperative relations on the principles of independence, mutual respect, equality and mutual benefits.

The Korea-Thailand relations of friendship and cooperation have developed on good terms over the past 20 years, the paper notes, and goes on:

Thailand, an ASEAN member state, is maintaining close relations of friendship and cooperation with Southeast Asian nations while developing friendship and cooperation with different countries of the world.

It is also striving to promote peace and security in Southeast Asia and achieve the common prosperity with countries in the region.

The Korean people are rejoiced as over their own over the achievements made by the Thai people in the efforts for national prosperity and peace.

They will as ever make efforts to further develop the friendly and cooperative relations with the Thai people in the interests of the two peoples.

MINJU CHOSON says that "the Korean people believe that the relations of friendship and cooperation between the two peoples will further strengthen in the common struggle for independence against imperialism."

### Nepalese, PRC Visitors Arrive 9 May

*SK0905152395 Pyongyang KCNA in English 1515 GMT 9 May 95*

[FBIS Transcribed Text] Pyongyang, May 9 (KCNA) — Narayan Prasad Bhattarai [spelling of name as received], secretary of the office of the Nepalese Prime Minister, and his party and a government scientific and technical cooperation delegation of China led by Vice Minister of the State Science and Technology Commission Han Dejian arrived here today by air.

### 'Success' of Pyongyang Sports Festival Reported

*SK0805102795 Pyongyang KCNA in English 1015 GMT 8 May 95*

[FBIS Transcribed Text] Pyongyang, May 8 (KCNA) — The Pyongyang International Sports and Cultural Festival for Peace was held with a large attendance in late April amidst the great expectation and interest of the Korean people and peaceloving people of the world.

The festival co-sponsored by the Korean Asia-Pacific Peace Committee and the New Japan Pro-Wrestling Co., Ltd. ended with success after winding up its programme. But, Pyongyang and other places of Korea still remain in festive mood with an increasing number of foreigners and tourists visiting them.

Participating in the festival were Kanji Inoki, leader of the Japan Sports Peace Party and member of the House of Councillors and president of the New Japan Pro-Wrestling Co., Ltd.; Muhammad Ali, a guest of honor who was once a world pro-boxing champion, and their entourages, figures of political, social and sports circles from the United States, France, Japan, China and other countries and of international organisations, tourists from Thailand, Australia, Germany and many other countries in Asia, Europe and Americas, Koreans from abroad, more than 10,000 in nearly 500 groups all told. Hundreds of journalists from the west came and covered the festival.

The festival fully demonstrated the desire of humankind and aspirations of the times to do away with all manner of domination and subjugation and build a new world, independent and peaceful, under the idea of independence, peace and friendship.

Through the festival the Korean people fully demonstrated again to the whole world the might of the singlehearted unity around the great leader Comrade Kim Chong-il and the looks of the anthropocentric socialism of Korean style.

The Pyongyang festival was an independent, peaceful one of humankind, the first of its kind in history, with the opening ceremony, an attractive welcome function, at the 150,000-seat May Day Stadium, male and female singles and doubles of pro-wrestling matches held to the acclamation of the spectators, the closing ceremony brilliantly adorned with a match between Kanji Inoki of Japan and Ric Flair of the United States who are known as world superstars and an art performance given by Japanese, U.S. and Korean artistes.

Pyongyang witnessed colorful functions during the festival.

The Korean National Costume Exhibition, the Open-Air Fine Art Show, the Book, Photo and Handicraft Exposition helped the foreigners participating in the festival have a good knowledge of the customs and traditions of the Korean nation.

A mass gymnastic display "The Great Leader of the People" was successfully performed by 50,000 school youth and children in Pyongyang at the 100,000-seat Kim Il-song Stadium and the Korean folk games and amusements took place at the scenic Mt. Taesong, delighting the festival participants.

The festival participants enjoyed an evening gala, mixing with Korean working youths in Pyongyang, which was held at the Kim Il- song Square in the heart of the capital to celebrate the May Day, the international holiday of the workers the world over.

More than 10,000 foreigners and overseas compatriots laid floral baskets and bouquets before the statue of the great leader President Kim Il-song on Mansu Hill and paid homage to him during the festival.

The festival participants were provided with all conveniences at well-furnished hotels and guesthouses in Pyongyang and local areas and lodgings.

They visited Mangyongdae called a holy place of the revolution, the Tower of the Chuche Idea, the Arch of Triumph, the Korean Revolution Museum, the Grand People's Study House, the Pyongyang Metro, the International Friendship Exhibition, the West Sea [Yellow Sea] barrage, Panmunjom and other places and toured Mt. Paektu called a holy mountain of the revolution, scenic Mts. Kumgang and Myohyang and Kaesong, a town adjacent to the Military Demarcation Line.

Indeed, the festival was a significant one which demonstrated the desire of the Korean people and progressive people of the world to build a new world under the idea of independence, peace and friendship.

Kanji Inoki in his letter of thanks to the great leader Comrade Kim Chong-il before leaving Korea, expressed thanks from the bottom of his heart to his excellency the great leader Kim Chong-il for his great bold decision and solicitude which brought the festival to a great success.

Head of a U.S. tourist group Edward Widma Junior said all people of the world should visit Korea and see her developed economy and culture.

He said he thinks that world art, science, education and other festivals can be held in Pyongyang in the future.

### Pyongyang Festival 'Smear Campaign' Alleged

*SK0905105695 Pyongyang KCNA in English 1044 GMT 9 May 95*

[FBIS Transcribed Text] Pyongyang, May 9 (KCNA) — A spokesman of the Korean Asia-Pacific Peace Committee issued a statement today denouncing the South Korean puppet clique's smear campaign to play down the successful Pyongyang International Sports and Cultural Festival for Peace.

The statement says:

An International Sports and Cultural Festival for Peace took place in Pyongyang some time ago amidst great expectation and interest of people at home and abroad, attended by more than 10,000 tourists.

The festival was a significant meeting of great importance to the athletes and other people of the world who aspire after independence, friendship and peace. It was also a grand festival which set up a new landmark in the history of the world peace movement and sports.

The festival unreservedly demonstrated the peaceful policy of the Workers' Party of Korea and the DPRK Government as well as the unshakable will and resolution of the Korean people to invariably advance along the road of socialism, united around their great leader with a single heart. With the festival as an occasion, the political image and international prestige of the DPRK have been exalted.

Upset by this, the South Korean puppet clique is resorting to false propaganda in an attempt to play down the successful Pyongyang festival.

It manipulates the paid media to broadcast false reports that the North invested a lot of fund in the festival for the sake of political propaganda and foreign currency procurement but its "economic difficulty" will deteriorate with the number of tourists totalling less than 10,000 and to quote overseas Korean tourists as talking about "control" and "food shortage" in the North.

This is a rash act of those who have been used to maliciously slander others, jealous of their achievements.

As is well known, the South Korean puppet clique had desperately tried from the beginning to bring the Pyongyang festival to failure.

When it was reported that the festival would be held in Pyongyang, they attempted to poke their nose into it, crying for "reunion of those families living separated in the North and the south" and "media coverage of non-political fields." They sent agents of the "Agency for National Security Planning" to the United States, Japan and other countries to obstruct the gathering of tourists and foolishly intended to raise a disturbance under the pretext of human rights problem by infiltrating their hirelings and reactionary organizations into Pyongyang in the disguise of tourists.

Since all their sinister intentions went busted and the Pyongyang festival was held successfully, creating great sensations at home and abroad, the puppets have been resorting to the anti-DPRK campaign, while speaking ill of the successful festival.

Such a scheme of theirs is a ridiculous act to impair our republic's prestige which has been further enhanced after the festival and is a last-ditch effort of those driven into a tight corner at home and abroad.

There is nothing new in the abuses by the South Korean rascals, who directed guns at the North enveloped by deep sorrow at the loss of the nation's father. And their slanders deserve nobody's attention.

I, on behalf of the Korean Asia-Pacific Peace Committee, bitterly condemn the base moves of the South Korean puppet clique to slander the success of the festival, considering them to be an intolerable provocation against all the Korean people hoping for national reconciliation and unity and the peace and reunification of the country and a never-to-be-condoned challenge to the peoples of Asia and the world who desire independence, friendship and peace.

The days of rascals are numbered.

The puppets are now trying to divert elsewhere the ever growing resentment and discontent of the South Korean people and get out of the woods by speaking ill of other's achievements. But they have nothing to get from such a move.

They must clearly know that the more persistently they resort to the despicable anti-DPRK campaign, the more fully their ugly antinational color will be revealed and that it will be another disgraceful crime recorded in the history of crimes they have committed against the nation.

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## Foreign Public Figures Express Visit Impressions

*SK0605213695 Pyongyang KCNA in English 1509 GMT 6 May 95*

[Spelling of all names as received]

[FBIS Transcribed Text] Pyongyang, May 6 (KCNA) — Foreign public figures expressed their impressions of Korea.

Associate Prof. Zhang Kaicheng, chief of the faculty of Politics of Jining Normal University, China, said that he was deeply moved to see the achievements in the construction of Korean style socialism centred on the popular masses. He continued:

"The great leader Comrade Kim Il-song liberated Korea and set a world-wide example in building socialism centred on the popular masses."

"It is too natural that the revolutionary people of the world respect and revere respected Comrade Kim Il-song as an outstanding leader and great leader."

"Today the Korean people have another great leader. The socialism of Korea will be invincible as long as there is the great leader Comrade Kim Chong-il who carries forward the revolutionary cause of the great leader Comrade Kim Il-song."

Zafar Bakhtawari, chairman of the Pakistan Cultural Forum and chairman of the Pakistan-Korea Friendship Association, said: The Korean people are a sagacious, brave and disciplined people. Any strongest enemy cannot bring the Korean people to their knees. It is because they have the two great leaders that the Korean people have the honor of being a dignified people. The Korean people are happy as they are blessed with the great leaders."

Yoshimori Inoki, representative director of the Inoki Trading Co., Ltd. of Japan, said that he had heard a wrong story about the Democratic People's Republic of Korea in the capitalist society of Japan, but when he visited Korea he has come to know that it was a very distorted one.

Noting that the Korean people are firmly united around mr. the great Kim Chong-il and an ideal society of humankind can be seen in Korea, he expressed the belief that the Korean people will make their motherland more powerful and prosperous, upholding the behests of President Kim Il-song.

## Kim Chong-il Work Stresses People-Oriented Task

*952C0098A Pyongyang NODONG SINMUN in Korean 7 Jan 95 p 2*

[Article by No Tal-chun, responsible secretary of the Taedong County Party Committee: "A Historic Work That Engendered New Change in Turning Party Work into Work with People"]

[FBIS Translated Text] We are marking the 30th anniversary of the publication of "Turn Party Work Thoroughly into Work with People," a classic work by the great leader Comrade Kim Chong-il.

The great leader Comrade Kim Chong-il, in the work published on 8 January 1965, put forward the ideology of turning party work thoroughly into work with people, clearly listing tasks and methods pertaining to its implementation. The work gave full clarifications to theoretical and practical issues in turning party work into work with the people, including the issues of party functionaries doing their work with the people on a regular basis and in a substantive manner, prudently and adeptly, and of caring for the destiny of people on their own responsibility through to the end.

For its correctness and truthfulness, the classic work has displayed great vitality in the past period in turning party work into work with the people, and in improving the work method and spirit of our party functionaries.

The great leader Comrade Kim Chong-il pointed out as follows:

**"To straighten out the method and spirit of party work, all functionaries must learn from the great leader's work method and turn party work thoroughly into work with people."**

Basically, party work is work with people. This is the creative ideology of party building enunciated for the first time by our party based on the great chuche ideology and the chuche principle of party work.

For the party, to conduct party work with the focus firmly on its work with people is the fundamental way to fully discharge its mission and duty as the leadership organization. The party is a political organization of people, its mission being to unite the broad masses of people solidly around it and set them in motion to accelerate the revolution and construction. If a working-class party is to fulfill that mission superbly, it must do its work with people efficiently. The work to achieve a firm, wholehearted unity of the party and revolutionary ranks and to organize and set in motion the broad masses depends on how the party conducts its work with people.

Our party, after putting forward, for the first time in the history of the building of working-class parties, the creative ideology showing work with people as the mainstay of party work, has waged a vigorous struggle to put it into practice. The great leader Comrade Kim Chong-il's classic work occupies a very important position in this respect.

Thanks to the publication of the work on turning party work thoroughly into work with people, all sorts of erroneous work methods and styles then prevailing in party work were eliminated, giving way for a new turnaround. The 30 years since the publication have been the continuation of memorable days that saw our party work turned solidly into work with people and our party functionaries keenly realizing the correctness and vitality of the chuche-oriented party-building ideology and theory.

The vitality of the classic work is seen, first of all, in the fact that it has brought all party functionaries to do their work with people on a regular basis and in a substantive manner and thus to successfully fulfill their mission and duty.

Work with people is the basic duty of party functionaries. For party functionaries, the object of their work is none other than people; nothing could be more important than work with people. Therefore, party functionaries must do their work with people on a regular basis and in a substantive manner, putting it at the forefront as the mainstay of party work. Only by doing so will it be possible to always be aware of the ideological and mental state of cadres and ranks and take indoctrinating measures as appropriate.

Among the things clarified by the classic work are that party functionaries should thoroughly do away with old work methods, that they should meet people on a regular basis no matter how busy they might be, and that they should do their work with people in a substantive manner.

As the ideology and tasks elucidated in the work have been brilliantly implemented, the work spirit of firmly grasping work with people as the basic task and doing it on a regular basis and in a substantive manner has been thoroughly established among all functionaries in our party. In the conduct of work with people, an orderly system has been established in which all party functionaries are now deepening their work with people by placing themselves among the masses on a regular basis with specific plans. At the same time, in the party guidance over administrative economic work, too, they do it through their work with people as well. When confronted with new policy tasks, our party functionaries would seek the key to resolving them among the masses and go to the masses and set them in motion ideologically, thereby deepening party guidance. They implement party policies by arousing the high, revolutionary fervor and creative positiveness of the masses.

Important in work with people is to know about the inmost thoughts of people and, on that basis, do the work with them in a substantive manner. Without knowing about what people have in their minds, one cannot say that he knows about them. Nor can he move them. It is by no means an easy thing to know the inmost thoughts of people. The classic work made it clear that party functionaries should be able to look through the outside and into the inside of people, and that in order to know about their inmost thoughts, they should put themselves among people for first-hand information of their work and life in general.

In knowing the inmost thoughts of people and thereby doing the work with them in a substantive manner, to trust and put them at the forefront is a very effective way. Today, our party ensures that all functionaries, in dealing with people, first treat them with trust and share their lot with the masses, and that they thus see to it that people rely thoroughly on party organizations at any time and at any place. In our country today, whenever people have problems in their work or livelihood, they unhesitatingly visit party organizations and party functionaries, expressing their inward thoughts and fully entrusting the party with their destiny. This fact indisputably proves the correctness of the party ideology about conducting work with people in a substantive manner.

The vitality of the classic work is also seen in the fact that it led all party functionaries to do their work with people in a prudent and adept manner, thereby strengthening the confidence of the masses in the party and uniting the broad masses firmly around the party.

Problems arising in the work with people are important because they are problems relating to their political lives. Such being the fact, party functionaries should always give their work with people deep thought and mature deliberation. With regard to those problems relating to the political lives of people, if they fail to approach them prudently at policy levels, if they approach them administratively, or if they deal with issues impulsively without even correctly understanding them, they could commit biases in their work with people and hurt the confidence of the masses in the party.

Also among the things clarified by the classic work are that party functionaries, while holding to party principles in their work with people, should not be narrow-minded, and that they should do their work with people prudently and adeptly. Prevailing among party functionaries today is the spirit of doing their work with people prudently and adeptly as taught by the party.

All party functionaries are leading the masses to work faithfully to the last at their party-assigned revolutionary posts, with faith and courage. Thanks to those fine party functionaries brilliantly practicing the party ideology of doing the work with people prudently and adeptly, the confidence of the masses in the party has deepened and our monolithic unity has become even more invincible.

The vitality of the work is also seen in the fact that it has made party functionaries take a motherly interest in the destiny of people and care for it to the last on their own responsibility.

Our party is a motherly party bearing the entire responsibility for the destiny of the people; its functionaries are functionaries of a motherly party. Their precious title carries the deep meaning that they must take a motherly attitude toward people and care for their political lives and livelihood on their own responsibility to the last. Only by being functionaries capable of taking a motherly attitude toward people and caring for their destiny on their own responsibility to the last can they receive love and respect from the masses and do their work with people creditably.

As elucidated in the work, party functionaries must act in a manner worthy of functionaries of a motherly party; they must carry intact the party's ardent love for people with them, cherish and love cadres, party members and working people wholeheartedly and care for their political lives on their own responsibility to the last.

In our country today, all party functionaries attach top priority to the political lives of party members and working people and are guiding them to keep adding luster to their political lives. At the same time, they are paying deep concern to their material and cultural lives, displaying higher than ever the spirit of making positive struggle to improve the people's living conditions. Thanks to those reliable party functionaries who care for the people's destiny on their own responsibility with a motherly interest, the people's living conditions are improving uninterruptedly and the superiority of our way of socialism is being given fuller play.

Our Taedong County Party Committee has scored remarkable achievements in the course of its operations, firmly based on the ideology and tasks shown in the classic work on turning party work into work with people. The committee established an order of doing its work with people on a regular basis, ensuring that all functionaries make it a routine part of life and a habit to place themselves among the masses, try to touch their hearts and spur them on toward the implementation of party policies. At the same time, the committee closely coordinated its organizational guidance to get problems arising among people to be dealt with in a prudent and adept manner. It put emphasis on farming and consumer goods production to further improve the people's living conditions; built many modern dwellings in the county-seat district and many villages, including Tokchon-ri and Wau-ri, and endeavored to solve traffic problems satisfactorily. Especially, it put great emphasis on providing warm care for the work and livelihood of disabled and old veterans whom our party prizes. In the county today, party members and working people, burning with loyalty and piety to the party and the leader, are united around the great leader Comrade Kim Chong-il even more solidly and in one mind with ideological will and moral integrity; economic tasks assigned the county are being fulfilled successfully and the county is taking on a new face every day. All these are the achievements scored by the county party committee in the course of its implementation of the chuche-oriented party policy of turning party work into work with people. With respect to the ideology shown in the work on turning party work into work with people, we, through our actual work in the past period, have learned by experience how correct it is and how great a vitality it displays.

We will in the future continue to work with the ideology of the great leader Comrade Kim Chong-il on turning party work into work with people deeply engraved on our hearts and, by doing so, acquit ourselves fully of our honorable mission and duty as party functionaries in further strengthening our party and adding luster to our way of socialism.

## Paper: Kim Chong-il 'Is Immediately' Kim Il-song

*SK0905102795 Pyongyang KCNA in English*
*1021 GMT 9 May 95*

["Comrade Kim Chong-il Is Immediately Comrade Kim Il-song" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 9 (KCNA) — The great leader of our party and people Comrade Kim Chong-il is a fatherly leader who perfectly personifies all traits of the fatherly leader Comrade Kim Il-song and completely carries forward his leading position and role.

The Korean people have been happy to have such a great leader as Comrade Kim Il-song, the sun of humankind produced by the 20th century. They are a dignified people who are blessed with great leaders generation after generation as they are guided by Comrade Kim Chong-il who has fully inherited all traits of the leader.

This is the topic of an article of NODONG SINMUN today.

The paper quotes Comrade Kim Il-song as saying:

"My idea is precisely the idea of Comrade Kim Chong-il and my leadership is immediately his guidance. And my personality is immediately that of Comrade Kim Chong-il and my traits are precisely his traits."

The signed article titled "The Great Leader Comrade Kim Chong-il Is Immediately the Fatherly Leader" says:

It is the unshakable faith and will of the Korean people to accomplish the revolutionary cause of chuche with unquestioned worship for the great leader Comrade Kim Chong-il who is the same with the fatherly leader Comrade Kim Il-song in idea, leadership ability and virtues.

Respected Comrade Kim Chong-il is a great thinker and theoretician who fully personifies all the ideological and theoretical intelligence of the fatherly leader and develops his revolutionary idea still further.

The Korean people keenly feel from the bottom of their hearts the brilliant ideological and theoretical intelligence of the fatherly leader and the greatness of his revolutionary idea in the appearance of respected Comrade Kim Chong-il who fully personifies his distinguished ideological and theoretical intelligence and is thoroughly defending and incessantly developing his revolutionary idea in depth.

Comrade Kim Chong-il is the most outstanding artist of leadership of the present times who takes over the all aspects of the extraordinary leadership ability of the fatherly leader.

Strong and bold will and grit, correct decision and stubborn execution ability are the distinguished features of Comrade Kim Chong-il's leadership.

Respected Comrade Kim Chong-il is the people's father who fully personifies the noble popular virtues of Comrade Kim Il-song.

The noble virtues of respected Comrade Kim Chong-il tracing their origin to the philosophy of love for human beings are a sincere devotion with which he devotes his all thoughts and activities to the people, regarding the popular masses as an almighty teacher and as absolute beings with inexhaustible creativity and believing in them as in heaven. He also embodies a magnanimous trust and love with which he indiscriminately embraces all people who contribute to the revolution.

Comrade Kim Chong-il is holding Comrade Kim Il-song in high esteem with unfailing fidelity to him on the highest level and is exalting his undying revolutionary exploits still further. Indeed, Comrade Kim Chong-il is immediately the fatherly leader, and his guidance is a definite guarantee for the inheritance of the revolutionary cause of chuche.

### Kim Il-song's Reminiscences Disseminated Abroad

*SK0905101895 Pyongyang KCNA in English*
*1013 GMT 9 May 95*

[FBIS Transcribed Text] Pyongyang, May 9 (KCNA) — The reminiscences of the great leader President Kim Il-song "With the Century" is being studied and disseminated in different countries.

A seminar on the reminiscences took place at the Moscow Youth Society for the Study of the Chuche Idea.

President Kim Il-song mixed with the people and firmly built the internal forces of the revolution, the speakers said, adding that he founded the chuche idea in his youth, clearly indicated the path of the people and thus he was praised as a genuine leader of the people.

They said they deeply felt that President Kim Il-song's true affection for his revolutionary comrades and their loyalty to him were the source of revolutionary victory.

President Kim Il-song led the anti-Japanese revolutionary struggle to victory, they said, adding that this immortal exploit will shine forever.

A seminar, lecture, reading session or symposium on the reminiscences took place at the Korea Institute in Kabre County, Nepal, the Lahore Youth League of Pakistan, the Luxemburg-Korea Friendship Association, the Luxemburg Committee for Support to Korea's Reunification, the Group of Madagascan Students in Algeria for the Study of the Chuche Idea of the Great Leader Comrade Kim Il- song, the Group for the Study of the Chuche Idea of the Teachers of the Chambogo Technical College of Uganda, the Bulgaria-Korea Friendship Association and the Zairean Youth Group for the Study of the Chuche Idea.

### Anniversary of Kim Il-song Death Commemorated

*SK0805110495 Pyongyang KCNA in English*
*1059 GMT 8 May 95*

[FBIS Transcribed Text] Pyongyang, May 8 (KCNA) — The Korean people visited statues of the respected leader President Kim Il-song in different parts of the country to express deep thanks and reverence, missing him today on the lapse of ten months since his death.

Working people, soldiers of the People's Army, students and school children in Pyongyang visited his statues on Mansu Hill, at Kim Il-song University, Kim Il-song Military University and the Mangyongdae Revolutionary School and in other parts of the city.

Floral baskets and bouquets were laid before his statue on Mansu Hill in the names of the party and power bodies, administrative and economic organs, central organs, units of the Korean People's Army, public security organs, institutions, enterprises and organisations at different levels, factories, cooperative farms, schools and families in Pyongyang.

People from different walks of life paid homage to President Kim Il-song, looking back on his immortal revolutionary exploits.

They hardened their resolution to always remember the honour of the nation led by President Kim Il-song and exalt it by remaining loyal to the leadership of the great leader Comrade Kim Chong-il.

People in other parts of the country also laid floral baskets, bouquets and flowers before the statues of President Kim Il-song in their residential areas with deep longing and reverence for him and hardened their loyal resolution to make their country and their motherland more prosperous.

### Pyongan, S. Hwanghae Hold WPK Mass Meetings

*SK0905050695 Pyongyang KCNA in English*
*0413 GMT 9 May 95*

[FBIS Transcribed Text] Pyongyang, May 9 (KCNA) — Mass meetings have been held in provinces to thoroughly implement the calls of the Central Committee of the Workers' Party of Korea [WPK] on the occasion of the 50th anniversary of its foundation.

Mass meetings took place in South North Pyongan and South Hwanghae Provinces on Sunday.

The chief secretaries of the provincial committees of the WPK made reports which were followed by speeches.

The reporters and speakers said that the calls fully reflect the unanimous desire of all the party members and people to uphold the great leader Comrade Kim Il-song for all ages and to complete the revolutionary cause of chuche under the leadership of the great leader Comrade Kim Chong-il.

They said the calls set the tasks to further strengthen the party and revolutionary ranks, hasten the socialist construction and dynamically promote national reunification and independent cause of the popular masses, and indicate ways of their fulfilment.

They stressed that the calls are an inspiring banner in greeting the 50th anniversary of the foundation of the party with a high degree of political enthusiasm and tremendous achievements. They called on all the party members and other working people to successfully implement the calls, thus making their country, their homeland more prosperous and brilliantly adorning the October grand festival which will demonstrate the advantages of Korean-style socialism.

Resolutions were adopted at the meetings.

### Officials Explain Gains in Electricity Production

*SK0805120095 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 7 May 95*

[FBIS Translated Text] In response to the slogans of the Central Committee of the Workers Party of Korea, which were released on the 50th anniversary of the party's founding, the entire country has been accelerating the general onward march, filled with high confidence and enthusiasm. At such a time, electricity producers in charge of the leading sector of the people's economy have stood up in high spirits and with new resolve.

Central broadcasting station reporter Yi Hwak-sil has interviewed (Chu Tong-il), vice minister of the power industry, and (Chu Si-u), vice chief of a bureau of the Power Industry Ministry.

[Begin recording] [Yi Hwak-sil] Electricity producers in various places are achieving great upsurges in response to the party Central Committee's slogans, are they not?

[Chu Tong-il] Party members and workers in the Power Industry Ministry, in hearty response to the party Central Committee's slogans that call for increasing electricity production to the utmost by operating all power stations at full capacity, are operating every facility at full capacity and in high spirits.

As a result, we are bringing about more achievements in producing electricity than at any other time. Hydraulic power stations in particular are making achievements in production. Among them, electricity producers at the Taedonggang Hydraulic Power Complex are operating facilities at full capacity and producing 100,000 kilowatt-hours more than the daily plan, while calling for making their country and their fatherland more prosperous and powerful by producing more electricity.

While stressing that increases in production depend on increases in electricity production, electricity producers at the 17 March Hydraulic Power Complex, the Wiwon Power Station, and the Changjingang Power Stations are scientifically and technologically maintaining facilities, structures, and water, thus producing much electricity daily.

[Yi] Thermal power stations are bringing about achievements in electricity production, are they not?

[Chu Si-u] Thermal power stations are also being operated at full capacity. In particular, electricity producers at the Pukchang Thermal Power Complex, filled with new confidence and optimism, are daily producing two million kilowatt-hours more electricity than last month.

Our electricity producers at the Pyongyang Thermal Power Complex, the Chongjin Thermal Power Station, and various other thermal power stations across the country are waging vigorous struggles and are maintaining a high and steady rate of production as a result.

Party members and workers of our power industry will more vigorously wage struggles to implement the party Central Committee's slogans released on the 50th anniversary of the party's founding. They will also further glorify our country and our fatherland, which is led by the great leader Comrade Kim Chong-il, by bringing about achievements in producing more electricity. [end recording]

### Metal Industry Workers Increase Steel Production

*SK0605141895 Pyongyang Korean Central Broadcasting Network in Korean 2105 GMT 3 May 95*

[FBIS Translated Text] Every heart of the working class within metal industry sectors across the country, that received a slogan from the party Central Committee, is overflowing with a burning desire to vigorously ignite the flame of a new upsurge with the same enthusiasm and vigor shown during the grand Chollima upsurge. Fighters of the Kim Chaek Steel Mill, who rise in upholding the party Central Committee's slogan "The production of steel and iron materials is a breakthrough in implementing the party's revolutionary economic strategy," are increasing production by an average 300 tonnes of steel and iron daily as compared to the same period last month, vigorously moving forward to increase production.

Also, the working class of plants and enterprises at mines, the building material industry, the forestry industry, the machine industry, and the chemical industry are making constant efforts to implement the revolutionary economic strategy by successfully fulfilling the honorary tasks assigned by the party, maintaining a single-hearted mind to contribute themselves for its realization.

Party members and working people at the Sangwon Cement Complex, with the same spirit in which they completed the April target, are more vigorously accelerating cement production, overflowing with conviction and optimism.

Workers and engineers of light industrial plants across the country, who have cherished a burning mind to constantly improve the people's standard of living by thoroughly implementing the party's light industry-first policy, are producing various consumer goods by upholding the party Central Committee's slogan.

Functionaries and the working class of plants and enterprises across the country, who rise up in implementing the party Central Committee's slogan, should effect a new upsurge in all sectors of the national economy by upholding the great leader's behest and by single-heartedly uniting as one around the great leader Comrade Kim Chong-il. As a result, they should greet the grand festival of October with a great achievement of labor, thus vigorously accelerating an all-out march to make our country, our fatherland, become more prosperous and strong.

### 'Vigorously' Advancing Cause of Socialism Urged

*SK0905104095 Pyongyang KCNA in English 1032 GMT 9 May 95*

["Let Us Advance Cause of Socialism Under Banner of Pyongyang Declaration" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 9 (KCNA) — The desire of the popular masses is fully reflected in the calls of the Central Committee of the Workers' Party of Korea which appeal to revolutionary parties and progressive people of the world to firmly unite and vigorously accelerate the cause of socialism under the banner of the Pyongyang declaration, says a by-lined article of NODONG SINMUN today. It goes on:

Basing itself on the truth and invincibility of socialism and scientific analysis of the present international relations the party Central Committee put forward the calls.

They are actively encouraging the revolutionary parties and progressive people of the world to the sacred struggle for socialism.

The Pyongyang Declaration has become the programme of the joint struggle and an invincible revolutionary weapon of the communists and progressive peoples of the world to achieve victory of the cause of socialism on a new basis.

The declaration has confirmed that socialism is the ideal of mankind and the society representing the future of humankind, a genuine society of the people.

It has also proved theoretically and practically that socialism under which the popular masses are true masters and everything serves them is a society for the masses of the people.

The declaration indicated that the socialist movement is a movement for independence.

As was clarified by the declaration the socialist cause is the cause of a nation as well as the common cause of humankind.

Only when the entire people advance along the road of socialism can they lead a free, equal and dignified life to suit their nature of independence and can all countries and nations achieve independent development free from all sorts of domination and subjugation and ensure a durable peace and security of the world. In other words, only socialism makes it possible to win the global independence. This is why the cause of socialism is the common cause of humankind. So, the entire revolutionary parties and people of the world who are building socialism and aspiring after it should firmly unite and defend and advance the cause of socialism. It is an international duty as well as an undertaking for themselves.

The struggle of the progressive people advancing along the road indicated by the Pyongyang Declaration will surely emerge victorious.

## South Korea

### Gallucci Rejects Bilateral Talks in DPRK

*SK0905003795 Seoul KBS-1 Radio Network in Korean 2200 GMT 8 May 95*

[Report by Pak Won-hong from Washington]

[FBIS Translated Text] It has been learned that Nuclear Ambassador [title as heard] Gallucci of the U.S. State Department today sent a reply letter to the North Korean side turning down North Korea's proposal to hold U.S.-DPRK talks in Pyongyang, in view of political and diplomatic conditions which would make it inappropriate. It was learned that in the reply letter the United States proposed that, instead of Pyongyang, a third venue be chosen for the talks.

A diplomatic source in Washington revealed that the United States today sent a reply letter in the name of the nuclear ambassador responding to the North Korean side's proposal on the time and place for U.S.-DPRK high-level talks. The reply was delivered through the North Korean Mission in New York. However, this official declined to provide concrete details, such as the place for talks.

An official at the ROK Embassy in Washington said Gallucci's reply letter was also conveyed to the ROK side, and that the time and place of the talks will be further discussed in the future.

## Officials, Gallucci Discuss DPRK Nuclear Issue

### Freeze on DPRK Nuclear Facilities Urged

*SK0905063295 Seoul YONHAP in English 0620 GMT 9 May 95*

[FBIS Transcribed Text] Seoul, May 9 (YONHAP) — South Korea and the United States agreed Tuesday that a continued freeze on North Korea's nuclear facilities is essential for the implementation of the nuclear framework agreement struck between Pyongyang and Washington in Geneva last October, a Foreign Ministry spokesman said.

Briefing reporters on the result of the bilateral talks held at the Foreign Ministry between Choe Tong-chin, secretary-general for the office of planning for the light-water reactor project, and nuclear ambassador [title as received] Robert Gallucci of the United States, Foreign Ministry spokesman Yu Kwang-sok said, "the two sides also agreed on the importance of the resumption of an inter-Korean dialogue for the implementation of the Geneva nuclear agreement."

During the talks held in advance of the Pyongyang-Washington talks on the provision of two light-water nuclear reactors to the North expected to be held in mid-May, the two sides also shared the view that the reactors to be provided to the North under the nuclear framework should be South Korean-made and that South Korea's central role should be guaranteed in the reactor project with the North, Yu said.

The bilateral meeting which lasted for about two hours started at 10:15 AM [0115 GMT] and examined the outcome of the Pyongyang-Washington nuclear talks which were held in Berlin in late April, according to the spokesman.

Choe and Gallucci also addressed ways to implement the Geneva nuclear agreement between the United States and North Korea, said the spokesman.

The spokesman, who also attended the meeting, however, would not elaborate on the content of the meeting, saying "today's bilateral meeting between South Korea and the United States is just part of the process for the trilateral talks among South Korea, the United States and Japan to be held Wednesday in Seoul."

On the timing and venue for the next round of political-level talks between Gallucci and First Vice Foreign Minister Kang Sok-chu of North Korea expected to held in mid-May, Yu said, "there were no specific discussions on those issues (during the talks between Choe and Gallucci)."

"I understand that the United States sent Monday a letter signed by Gallucci to North Korea (on those issues) and that we are waiting for a response from the North."

Choe, Gallucci and Tetsuya Endo, ambassador in charge of nuclear affairs at the Japanese Foreign Ministry who will arrive in Seoul late in the day, will hold three-way talks Wednesday concerning ways to persuade the North to accept South Korean-made nuclear reactors.

The three will give a press conference beginning at 5:30 pm Wednesday [0830 GMT 10 May] following the end of the trilateral talks at the Foreign Ministry, the spokesman said.

Gallucci will meet with Foreign Minister Kong Nomyong, Unification Minister Na Ung-pae and senior presidential secretary for foreign affairs and national security Yu Chong-ha late Tuesday, according to Foreign Ministry officials.

Gallucci will leave the country Thursday morning. On his way home, he will also hold bilateral talks with Endo and other Japanese officials in Tokyo Thursday.

### Deputy Premier Meets Gallucci

*SK0905110095 Seoul YONHAP in English 1054 GMT 9 May 95*

[FBIS Transcribed Text] Seoul, May 9 (YONHAP) — Deputy Prime Minister Na Ung-pae met with visiting U.S. Nuclear Ambassador [title as received] Robert Gallucci Tuesday [9 May] afternoon to stress the importance of using South Korean-model light-water reactors in the North Korean nuclear power project.

"The deputy premier reiterated that to ensure the smooth implementation of the Geneva framework agreement, the South Korean model should be used under all circumstances and there should be inter-Korean talks parallel with the implementation of the nuclear project," Na's spokesman, Kim Kyong-ung, quoted him as saying.

Na said that once South-North talks resume, South Korea would help North Korea sincerely and exchanges could expand between the two sides in the social and cultural areas.

Gallucci said in response that at the upcoming high-level talks with North Korea, he would certainly discuss the issue of inter- Korean dialogue.

The American official expressed the view that unless the dialogue resumes, it would be difficult to carry out the reactor project smoothly.

Prior to his talks with Deputy Premier Na, Ambassador Gallucci called on Foreign Minister Kong No-myong at his office and the two officials reaffirmed the principle that South Korea should play a central role in the provision of light-water reactors to North Korea.

According to Foreign Ministry spokesman Yu Kwang-sok, Minister Kong in particular said South-North dialogue should resume if only to ensure the smooth implementation of the Geneva nuclear agreement.

Kong also explained to Gallucci about latest overall inter-Korean developments including the recent North Korean attempt to neutralize the role of the Neutral Nations Supervisory Commission.

The two officials shared the view that the issue of creating a peace mechanism on the Korean peninsula should be resolved between the direct parties, South and North Korea, spokesman Yu said.

### DPRK Seen Manipulating Talks With U.S.

*SK0805130695 Seoul CHUNGANG ILBO in Korean 8 May 95 p 5*

[Editorial: "Consistent Tripartite Cooperation Is Needed"]

[FBIS Translated Text] North Korea and the United States have agreed to hold high-level talks, but have yet to decide on a concrete schedule for the talks due to discord over the meeting site, with North Korea persistently insisting on holding the talks in Pyongyang. North Korea is showing its habit of stalling and attaching additional conditions, complicating the matter from the very beginning by not agreeing to hold the meeting in Geneva as usual, thus avoiding an easy settlement of this matter. This forecasts that during the upcoming North Korea-U.S. high-level talks, North Korea will probably impose new conditions, or will introduce a new agenda far removed from the talks' original purpose of discussing the light-water reactor issue.

Under this situation, we will pay attention to the ROK-U.S.-Japan ambassador-level talks slated for 10 May to discuss high-level strategy because these talks will be held in a greatly changed environment and will have to prepare measures to cope with the North Korean attitude, taking the situational change into consideration.

What is noteworthy among the changed aspects is that North Korea is taking a dangerous gamble using the Armistice Agreement as a pawn, even though the agreement has contributed to maintaining security on the Korean peninsula. In addition to closing the Neutral Nations Supervisory Commission office, North Korea now poses a threat to negotiations with the United States on the signing of a peace treaty. For example, the North Korean Foreign Ministry has stated that North Korea "will no longer be able to implement its obligations under the Armistice Agreement" and "will take actions with regard to the DMZ" unless the United States accedes to negotiations for a peace treaty. This is regarded as a typical means by which North Korea forces a situation into a crisis and then enjoys the advantages arising therefrom, as well as behavior preliminary to use of the upcoming high-level talks as an opportunity for political negotiations.

The ROK, the United States, and Japan should take this opportunity to sternly show they will no longer allow such an absurd attitude by North Korea. They must fundamentally block North Korea's attempt to bring the issue of peace and security on the Korean peninsula under discussion at the North Korea-U.S. high-level talks, based on the viewpoint that the main forces for peace and security on the Korean peninsula are not North Korea and the United States but South and North Korea.

They should also continue to adhere to the principle that the ROK should play a central role in the supplying of light-water reactors to North Korea. We are displeased with and concerned about former U.S. President Carter's statement at this important moment stressing that it is desirable to provide North Korea with light-water reactors designed by the United States. We should be on the alert against such opinions released abruptly at this important moment.

### USFK Spokesman on Weapons Deployment

*SK0905062295 Seoul THE KOREA HERALD in English 9 May 95 p 3*

[FBIS Transcribed Text] The U.S. Forces Korea (USFK) yesterday denied news report that weapons systems being introduced in South Korea was related to a plan for advance deployment of military hardware for U.S. enforcement forces to be sent here during a crisis.

Kim Yong-kyu, a USFK spokesman, said the military hardware being introduced here is just part of "a long-term force modernization program" to replace old equipment for the USFK.

"The USFK is continuing its long-term force modernization program with the introduction of several standard proven weapons systems which have been in place with U.S. forces in other part of the world," said Kim.

He said that "as was announced March 23, 1995, equipment being introduced to South Korea includes M1A1 Abrams tanks, additional battalion of AH-64 Apache helicopters and Bradley infantry & cavalry fighting vehicles." The 2nd U.S. Infantry Division has two battalions of M1IT tanks, an older version of the Abrams.

"This equipment will be sent to (U.S.) operational units (in South Korea) to replace out-dated equipment which is being rotated out to be rebuilt and sent to reserve units in the United States," he said.

Several Seoul-based dailies reported in their Monday edition that the United States will launch, in mid-May, an advance deployment of military hardware; enough to be used by one U.S. brigade enforcement.

USFK's Kim noted that the advance deployment of the U.S. weapons here was agreed upon at the 1993 ROK-U.S. Security Consultative Meeting. "But we don't know when the advance deployment of the weapons will take place," he said.

The advance deployment of U.S. military hardware was designed to shorten the deployment timing of U.S. enforcement in a crisis here.

### Age Grounds Many Air Force F-5B Trainers

*SK0805113395 Seoul YONHAP in English 1053 GMT 8 May 95*

[FBIS Transcribed Text] Seoul, May 8 (YONHAP) — Nearly half of the Korean Air Force's F-5B advanced trainers have been grounded due to their superannuation, a Defense Ministry source said Monday [8 May].

The source said that the Air Force's Airplanes Operation Review Committee met late last month and tentatively decided to ground 40 percent of the F-5B's.

"The committee will meet again Tuesday to make a final decision on whether to suspend their operation," he said.

The decision to ground the trainers, the source said, was based on a recent notification by a U.S. Airplane Diagnosis Office (TCG) that the safety of the center skeleton of the Korean Air Force F- 5B's cannot be guaranteed due to their operation over a protracted period of time.

F-5B's, produced by Northrop Corp. of the United States, were introduced into the country in a period from 1965 to 76. They have flown far more than the 8,444-hour ceiling, the source added.

### Perry Denies U.S. Pressure To Buy Helicopters

*SK0905060895 Seoul THE KOREA HERALD in English 9 May 95 p 3*

[FBIS Transcribed Text] U.S. Secretary of Defense William Perry has requested the South Korean Defense Minister Yi Yang-ho to consider the purchasing of U.S.-made helicopters in a letter he sent to Yi late April, according to a ministry official yesterday.

But the official denied a news report that there was any "pressure" from the Pentagon concerning the ministry's helicopter program.

"It's true that Perry sent a letter to Minister Yi April 25 concerning our light combat helicopter program," said the official.

In the letter, Perry courteously requested the Defense Ministry to include a U.S.-made helicopter, OH-56D by Bell, in the list of candidate choppers when it reviews the selection of a helicopter for its chopper program, said the official.

"But the report that the United States has pressured South Korea to buy U.S.-made choppers is untrue," the official said, referring to a report by the TONG-A ILBO in its Monday edition.

The official said that the defense ministers of the two countries often exchange letters on issues of mutual concern.

In a preliminary selection of helicopter for the light combat helicopter program in 1989, Bell's OH-56D was dropped out partly because of its high price, while Germany's BO-105 and A-109 of Italy passed the initial screening.

Under the helicopter program, the Defense Ministry plans to get domestic and foreign firms to coproduce over 100 light combat choppers, which are to conduct reconnaissance missions and cover "Cobra" attack helicopters, with transfer of technology from foreign companies.

### Local Case Against U.S. MP's Dropped

*SK0905060995 Seoul THE KOREA HERALD in English 9 May 95 p 3*

[FBIS Transcribed Text] The Seoul District Prosecutor's Office has decided to give up seeking to exercise criminal jurisdiction over two U.S. military police [MP] officers involved in an alleged manhandling of two Korean women last October.

The decision has been made as the Korean prosecution could not arraign the U.S. soldiers involved because of continued opposition from the U.S. military authorities, an official said.

"The U.S. side has been insisting that the soldiers involved should not be arraigned as the soldiers were in the performance of official duty," he noted. "We have judged that it is not possible to continue the investigation under the current situation."

Kim Kum-sun, 67, and her daughter were allegedly manhandled by patrolling U.S. military officers who suspected them as black marketeers, near the U.N. Village in Yongsan, Seoul, Oct. 25.

After receiving complaints with regard to the incident, the Korean prosecution asked the U.S. military authorities here to hand over the involved soldiers for questioning. The U.S. side rejected the request, asserting that the soldiers were in the performance of duty.

An article of the Korea-U.S. Status of Forces Agreement (SOFA) states that the U.S. side has the primary right to exercise jurisdiction over its members for "offenses arising out of any act or omission done in the performance of official duty."

Following the Kim Kum-sun case, the U.S. side sent a letter to the prosecution, stating that it would work out steps to prevent the recurrence of similar incidents.

The incident touched off renewed calls for revision of SOFA among Korean critics.

### Kim Yong-sam on DPRK's 'Unsettled Situation'

*SK0905054595 Seoul YONHAP in English 0525 GMT 9 May 95*

[FBIS Transcribed Text] Seoul, May 9 (YONHAP) — President Kim Yong-sam, pointing out that North Korea is in an "unsettled situation," instructed the cabinet Tuesday to maintain closer diplomatic cooperation with the United States and Japan and make thorough joint Korea-U.S. military preparations for any emergency.

The chief executive gave the instruction at an expanded State Council meeting he presided over at Chongwadae, with Prime Minister Yi Hong-ku and other cabinet members, Chief Presidential Secretary Han Sung-su and other senior presidential secretaries attending.

Amid the sustained food shortage and the fact Kim Chong-il's rise to power has not been made official, an abnormal state of affairs in North Korea has been brought to light during the recent sports and cultural festival in Pyongyang, and such an unsettled situation in the North is highly likely to create new tensions on the Korean peninsula, Kim remarked.

The people should be alerted to the possibility that the North's provocations and national security-related ministries and agencies should maintain a tight network of cooperation in preparation for any emergency, he told the meeting, noting that North Korean troops recently began to unleash provocations in the Demilitarized Zone while launching a diplomatic offensive by attempting to conclude a peace treaty with the United States and kill the existing armistice agreement.

Concerning the deadlock of the U.S.-North Korea negotiations on the issue of providing light-water reactors to North Korea, Kim noted the North Koreans threatened to refuel their 5-megawatt graphite-moderated reactor, which could produce weapons-grade plutonium, if the issues were not settled in a manner they approved.

He stressed the need for "us to be ready for every possible situation" which could develop from such a hardline North Korean policy.

Touching on the coming local elections, Kim said the nation must establish new election traditions by making the coming elections inexpensive and fair.

To this end, any election rigging would be punished strictly by law, he stressed.

Noting every voter will cast four ballots in the local elections, the first of its kind in the nation's election history, he said the government should do its utmost to properly manage the elections.

On economic affairs, the president predicted the economy would grow more than 8 percent this year, as the first quarter recorded a 9.5-percent growth.

The inflation rate will be held down to the 5-percent level throughout the year, he added.

Saying the nation's trade deficit would increase from last year's 3.1 billion U.S. dollars to 5 billion dollars, Kim stressed the government should focus its economic policy on the fight against inflation and the rising trade deficit, the encouragement of a sound propensity to spend among the people, the development of small businesses and industrial peace.

### Kim Yong-sam: Peace Ensured Through Strength

*SK0905110595 Seoul YONHAP in English 1057 GMT 9 May 95*

[FBIS Transcribed Text] Seoul, May 9 (YONHAP) — President Kim Yong-sam, saying "peace can be ensured only when there is strength," emphasized Tuesday [9 May] "we need to display our superior strength."

At a tea party he hosted for 550 senior members of the Advisory Council on Democratic and Peaceful Unification at Chongwadae [presidential offices], Kim said North Korea has lately intensified slander against the South to an incomprehensible extent.

The president said the issue of signing a peace agreement is a matter to be resolved between South and North Korea.

"Nonetheless, North Korea seems interested more in the conclusion of a peace agreement with the United States as well as in getting American forces out of Korea than in the light-water reactor project," he said.

There is not the slightest change in the stand that the light- water reactors to be provided to North Korea should always be a South Korean model, he said.

### Ministry Reactivates Anti-Nuclear Task Force

*SK0905061195 Seoul THE KOREA TIMES in English 9 May 95 p 3*

[FBIS Transcribed Text] The Defense Ministry has reactivated its task force dealing with North Korea's nuclear activities, a source said yesterday.

The anti-nuclear squad, composed of intelligence and operations officers, is aimed at keeping a close tab and evaluating the North's activities related to its suspected nuclear weapons program and chartering out countermeasures.

The squad was inaugurated as an ad hoc organization in April last year at the height of a standoff over the North's nuclear project and was disbanded after the near-crisis was defused through ensuing talks.

The source said that its reactivation was pushed not because the present situation is deemed grave but in light of a possibility it could be developed into a crisis.

"The ministry is making preparations against the North's nuclear issue being referred to the UN Security Council," he said. "In weekly meetings, its members will swap intelligence and come up with contingency plans to every possible scenario."

### DPRK Defector Views Life of High-Level Cadres

*SK0805140395 Seoul HANGUK ILBO in Korean 8 May 95 p 14*

[Report by Im Yong-son, a defector from the DPRK: "Food Problems of High-Level Circles in North Korea"; first paragraph is HANGUK ILBO introduction]

[FBIS Translated Text] Im Yong-son was born in Pyongyang in 1964 and graduated from the Architecture Department of the Taedonggang University of Technology. He was commissioned as a second lieutenant in the Military Construction Bureau of the Korean People's Army, and in 1993 defected to the ROK via Yanbian while a lieutenant in the Army. Presently, he is studying as a junior in the Economics Department at Yonsei University.

My home town is Pyongyang.

I lived in Pyongyang before arriving in Seoul in August 1993. That is, I am a native of Pyongyang. I graduated from a senior middle school in 1980 and was drafted into the Army that same year, being allowed to study architecture and receiving military-political training. In 1988 I was commissioned as a military officer and served as a communication platoon leader and a post platoon leader.

At one point I participated in film production, being registered at the Film and Literature Production Department under the General Political Bureau of the Ministry of People's Armed Forces. The unit I served in was Unit 583 (the Military Construction Bureau) of the Korean People's Army.

This unit's objective was to build and establish important strategic military bases underground so as not to be exposed to Seoul or the United States. Like a mole, it builds various underground bases ranging from depots for weapons of mass destruction to missile bases, airports, and submarine pens.

North Korea has placed a great number of assets underground, enough so that it may be possible to build another Pyongyang.

One day I visited the most famous film actor's home in Pyongyang. Film actors in North Korea lead a high social life.

While we were talking, a 15-year old son of the actor came home, elated. I thought something special must have happened to him. However, his pride was due to his having purchased three tubes of toothpaste at a department store. A person can only buy one tube of toothpaste, but he stated he had bought three. He bought two tubes while standing in line; the other purchase was as a result of someone recognizing him as a son of the famous actor and allowing him to break into a line of people waiting to buy toothpaste.

"You did very well. Almost a week has passed since we ran out of toothpaste," said the film actor. It was hard to understand from his remarks if they were commendable or deplorable.

The situation in the home of the responsible secretary of the External Economic Committee was not different from that above. The External Economic Committee is a government organization that builds plants in Africa and Southeast Asia. Members of the committee are allowed the use of a Mercedes Benz. When a member visits someone's home to eat, he always gives guest tickets for restaurants on Changgwang Street in Pyongyang. If one does not have a ticket — tickets are issued a day or two prior to going to the restaurant — one cannot even approach the restaurant. The reason he cannot provide meals for guests at his own home is because he does not have enough rice. Such a high-level official is concerned about rice. How pitiful he is! However, it is true. The amount of rice distributed by the state is fair, regardless of one's position. His son and daughter are studying in Germany and the former Soviet Union. Therefore, they are provided with only 30kg of rice a month. However, this amount will be further decreased when further deductions are made under the pretext of saving rice in preparation for war or for patriotic rice. The responsible secretary of the party will receive 700g per day, while his wife will receive 300g. North Koreans dream of eating a large bowl overflowing with rice and of feeling full after a meal.

It would be a major problem if a guest leaves his home after a meal or stays all day. He can live only when he can buy additional rice, approximately 10kg of rice from the black market.

North Koreans do not want major things. They miss a society where they can eat corn meal as much as they want and can properly buy and use daily necessities such as shoes, soap, and toothpaste. It is very clear that something may happen to North Korea if the North Koreans directly see the living standards of the people in Seoul. Even I, who lived in Pyongyang, was at a loss after seeing Seoul. Needless to say, the North Koreans will be shocked if they see the living standards of the people in Seoul.

### Agreement With PRC To Boost Trade, Investment

*SK0905075995 Seoul YONHAP in English 0722 GMT 9 May 95*

[FBIS Transcribed Text] Seoul, May 9 (YONHAP) — South Korea and China Monday [8 May] agreed to continue their efforts to boost bilateral trade and investment and to cooperate in international economic and trade forums.

The agreements were made during bilateral talks held in Beijing on bilateral and regional trade issues, according to a Foreign Ministry spokesman Tuesday.

During the talks, South Korea pointed out that there are cases where South Korean intellectual property rights [IPR] in the Chinese market have been violated, urging the Chinese to take stern measures against IPR violations, according to the spokesman.

China meanwhile said that it will give South Korean IPRs the same treatment it gives American IPRs as it is making efforts to crack down on IPR violations, the spokesman said.

China also said that it will consider South Korea's call for lowering tariffs and non-tariff barriers furthering the access of Korean cars and telecommunication products to the Chinese market, according to the spokesman.

The Chinese, meanwhile, demand that Seoul abolish anti-dumping tariffs on Chinese goods and improve bidding procedures for agricultural products, the spokesman said.

South Korea's response was that the anti-dumping tariffs were imposed under the Uruguay Round of a multilateral trade agreement and that the bidding procedures for agricultural products are being implemented on a fair competition basis, according to the spokesman.

The two sides agreed to hold an experts' meeting on statistics to set a standard for trade figures between the two countries.

They also agreed to make efforts to introduce the multiple visa system between the two countries to help the activities of businessmen in each other's country, according to the spokesman.

The next and fourth round of trade talks between the two countries will be held in Seoul in 1996, he said.

### Businesses Prepare for Deng Xiaoping's Death

*SK0905022495 Seoul KYONGHYANG SINMUN in Korean 8 May 95 p 1*

[Report by Hong In-kyu]

[FBIS Translated Text] A rapid change in investment strategies for China has surfaced among ROK businesses following rumors of Deng Xiaoping's serious health condition and a potential power reshuffle in China, and has resulted in the cancellation of large-scale investment projects in China.

Major ROK businesses are busy reshaping their PRC investment strategies, fostering acquaintances with the Shanghai faction, the up-and-coming influential faction, and are beefing up preparations against possible policy changes after Deng Xiaoping's death.

According to business sources on 7 April, the construction of a $1.5 billion-oil refinery, which was to be undertaken by the Sunkyong Group, has been virtually cancelled, and the fate of an amusement park, which was to be built outside Beijing by Daewoo Group with an investment of $5.2 billion, is now unclear.

Since ROK business connections are predominantly with high-ranking officials of the central government and Beijing Municipality, the firms feel that in the event that the central and local governments are pitted against one another in the aftermath of a power reshuffle and the decentralization of power, chances are poor that projects would proceed as planned. In the case of Sunkyong Group, plans for moving construction of a joint-venture oil refinery from Shenzhen, Guangdong

Province, China, to a third country such as Vietnam are actively being reviewed.

The Daewoo Group, at the forefront of ROK businesses' advance into China, agreed to jointly invest with a U.S. company in constructing an amusement park called "the Beijing Grand Park," but realization of the project now appears unlikely due to the lack of acquaintances with the newly-formed Chinese leadership.

In the case of construction companies, such as Ubang and Usong, the future of their plans to invest in housing projects in Beijing is also unclear, as their Beijing acquaintances are under investigation by the PRC Government on charges of irregularities and corruption.

In the meantime, the Samsung Group has formed a special task force that has begun to gather information regarding rumors of Deng's imminent death. In addition, Samsung has been quick to assess the potential effects of Deng's death on its advance into China, and has mapped out countermeasures against this.

### Regional News Agencies Meet in Seoul

*SK0905063895 Seoul YONHAP in English*
*0310 GMT 9 May 95*

[FBIS Transcribed Text] Seoul, May 9 (YONHAP) — The 16th executive board and 11th technical experts group meetings of the Organization of Asia-Pacific News Agencies (OANA) will be held in Seoul for two days on Friday and Saturday.

Some 80 delegates from 21 OANA member agencies and 25 newspapers and broadcasting companies in 21 countries in the Asia-Pacific region are scheduled to attend the meetings which will be hosted by YONHAP News Agency at the Westin Choson Hotel.

The delegates are scheduled to discuss ways to increase cooperation and exchanges among OANA members, and particularly ways to improve the training of journalists and people working for news agencies.

In the opening ceremony, YONHAP News Agency President-Publisher Hyon So-hwan will give a welcoming speech, followed by a welcoming address by South Korean Information Minister O In-hwan and an opening address by OANA President Guo Chaoren, who is also president of China's XINHUA News Agency.

On the first day of the executive board meeting, OANA member delegates will study ways to strengthen their competitiveness through training personnel to face fierce media competition in today's world.

They are also scheduled to discuss issues concerning ways to implement OANA's new economic news service program dubbed the, "Ecoana project."

During the editorial workshop, the participants will also discuss the improvement in quality of OANA stories.

Most of the second day's session on Saturday will be devoted to country reports from OANA members and adoption of recommendations.

OANA members participating in the executive board meetings are ANADOLU (Turkey), ANTARA (Indonesia), APP (Pakistan), BERNAMA (Malaysia), BSS (Bangladesh), IRNA (Iran), ITAR-TASS (Russia), KABAR (Kyrgyzstan), KAZTAG (KAZAKHSTAN), KYODO (Japan), LANKAPUVATH (Sri Lanka), MONTSAME (Mongolia), PNA (the Philippines) , PPI (Pakistan), PTI (India), RIA-NOVOSTI (Russia), RSS (Nepal), TNA (Thailand), UNB (Bangladesh), VNA (Vietnam), XINHUA (China) and YONHAP (Korea).

Participating in the OANA meeting as observers are AAP of Australia and UZA of Uzbekistan.

### President Kim Meets XINHUA Chief

*SK0905064095 Seoul YONHAP in English*
*0541 GMT 9 May 95*

[FBIS Transcribed Text] Seoul, May 9 (YONHAP) — President Kim Yong-sam met with the president of China's XINHUA News Agency, Guo Chaoren at Chongwadae Monday to exchange views on matters of mutual interest.

Guo is visiting South Korea to attend the 16th executive board meeting of the organization of Asia-Pacific News Agencies (OANA) opening here Friday and continuing on Saturday. During the courtesy call, Guo was accompanied by Hyon So-hwan, president-publisher of YONHAP News Agency.

President Kim expected that the OANA conference would contribute greatly towards invigorating cooperation between and among media organizations in the Asia-Pacific region.

On China's political situation in the post-Deng Xiaoping era, Guo told Kim that "stability will be maintained and there will be no change in the policy line," according to Presidential Spokesman Yun Yo-chun.

Guo made the comment noting that China now enjoys economic stability and a stable popular livelihood and that the Chinese people recognize the merits of Deng's guidelines, the spokesman said.

A Central Committee member of the Chinese Communist Party, Guo is to call on National Assembly Speaker Hwang Nak-chu and Information Minister O In-hwan later in the day. He will depart South Korea Sunday after attending the OANA conference.

## Seoul Elected to WHO Executive Board

*SK0905064195 Seoul YONHAP in English 0623 GMT 9 May 95*

[FBIS Transcribed Text] Seoul, May 9 (YONHAP) — South Korea on Monday was elected to the executive board of the World Health Organization (WHO) which is the supreme decision-making body for the organization, Foreign Ministry spokesman Yu Kwang-sok said Tuesday.

The 48th General Assembly of the WHO held in Geneva Monday elected South Korea and 11 other countries members of the executive board with three-year tenure starting in 1995, the spokesman said.

The board, composed of board of directors from 32 member countries, is the supreme decision-making body for a variety of projects for the organization.

It's the third time that the country was elected a member of the WHO executive board since it joined the WHO in 1949.

Sin Yong-su, president of the Korea Institute of Health Services Management, will be named director general for the country, according to ministry officials.

## Reinforced Use of Fake Passport Detectors

*SK0805091495 Seoul YONHAP in English 0437 GMT 8 May 95*

[FBIS Transcribed Text] Seoul, May 8 (YONHAP) — The Ministry of Foreign Affairs will reinforce the use of counterfeit passport reading machines in airports in the aftermath of the recent passport thefts which robbed 95 Korean tourists of their passports while traveling in Thailand, according to a ministry spokesman Monday [8 May].

The ministry will also order a three-month business suspension on the travel agent from whom the passports were stolen if while in Thailand he actually kept the passports en masse in violation of the law governing passports, the spokesman said.

A total of 277 cases of lost or stolen passports were reported in Thailand alone last year, according to the ministry.

## Choe Ki-son DLP Candidate for Inchon Mayor

*SK0905080495 Seoul YONHAP in English 0725 GMT 9 May 95*

[FBIS Transcribed Text] Inchon, May 9 (YONHAP) — The ruling Democratic Liberal Party (DLP) Tuesday [9 May] afternoon nominated former Inchon Mayor Choe Ki-son as its candidate for the Inchon mayoral post in the upcoming June 27 local elections.

The nomination came in a convention held at the Inchon Gymnasium with DLP Secretary General Kim Tok-yong, chief policymaker Yi Sung-yun and some 7,000 party members attending.

In his acceptance speech, Choe Ki-son said, "I'll win the mayoral election without fail and develop Inchon into a leading metropolis of Northeast Asia."

Addressing the convention, Kim Tok-yong stressed the need for cooperation and mutual support between the central and local administrations in order to secure the successful opening of a localization era, adding, "When harmony is realized between the central and local governments, will the citizens be able to enjoy local development as they would like and be satisfied with the administrative services."

## DP's Yi Chong-chan Candidacy in Doubt

*SK0905080595 Seoul YONHAP in English 0732 GMT 9 May 95*

[FBIS Transcribed Text] Seoul, May 9 (YONHAP) — Followers of Kim Tae-chung in the main opposition Democratic Party (DP) were said Tuesday [9 May] to have agreed to drop their plan to have party advisor Rep. Yi Chong-chan vie for the party's ticket in the coming Kyonggi gubernatorial election if party President Yi Ki-taek opposes the plan.

Consequently, the row between President Yi and Kim Tae-chung's followers, the so-called Tonggyo-tong faction, over Rep. Yi's candidacy for the post of Kyonggi Province governor is likely to be settled.

In a meeting held Tuesday morning, leaders of the Tonggyo-tong faction, including Vice Presidents Kim Won-ki, Kwon No-kap, Yu Chun-sang, Han Kwang-ok and Sin Sun-pom and advisors Kim Sang-hyon and Yi Chong-chan, reportedly agreed that the party should no longer suffer any internal strife over the issue of their Kyonggi gubernatorial candidate.

Vice President Yu was quoted as saying that chances are very slim that Rep. Chang Kyong-u, whom President Yi strongly supports, will pull out of the race, while explaining his latest meeting with Chang.

They agreed to pull advisor Yi out of the party's race for a Kyonggi gubernatorial candidate if President Yi's opposition to advisor Yi as the party's standard-bearer in the gubernatorial election remains unchanged, one participant in the meeting said.

As a result, the opposition party will nominate its standard-bearer for the Kyonggi gubernatorial election through an open contest between Reps. Chang and An Tong-son who already applied for the race.

He said Vice President Yu would arrange a meeting as early as Wednesday between advisor Yi and Rep. Chang to reach a solution to the factional row over the gubernatorial candidacy issue.

Rep. Chang was said to have told Vice President Yu Monday that he would not give up his plan to run for the party's nomination in the gubernatorial election, while advisor Yi reportedly said he would not vie with Rep. Chang.

## Burma

### Lao Joint Commission Holds 1st Meeting

*BK0905050095 Rangoon Radio Myanmar in Burmese 1330 GMT 8 May 95*

[FBIS Translated Text] The first meeting of the Myanmar [Burma]-Lao Joint Commission on Bilateral Relations was held at the Padauk Hall of the People's Park Restaurant at 1300 today.

The meeting was attended by a Myanmar [Burmese] delegation led by Foreign Minister U Ohn Gyaw and a Lao delegation led by Foreign Minister Somsavat Lengsavat. At the meeting, the foreign ministers expressed satisfaction with the improved friendship, bilateral relations, and cooperation and for the development of new bilateral cooperation sectors.

Next, the agreement on the first Myanmar-Lao Joint Commission meeting was signed. The agreement stressed bilateral cooperation in culture and sports, tourism, education, agriculture, forests, drug suppression activities, border affairs, and other matters.

Moreover, both sides exchanged documents relating to matters concerning the marking of a permanent international border in the Mekong River which both sides agree with. A high-level official meeting was held on 5-6 May prior to this meeting.

#### Bilateral Agreements Signed

*BK0905033995 Rangoon Radio Myanmar in Burmese 1330 GMT 8 May 95*

[FBIS Translated Text] A ceremony to sign agreements between the Government of the Union of Myanmar [Burma] and the government of the Lao People's Democratic Republic [LPDR] was held at Room No. 103/104 of the Pyithu Hluttaw [People's Assembly] Building at 1800 this evening.

The ceremony was attended by Senior General Than Shwe, chairman of the State Law and Order Restoration Council [SLORC]; General Maung Aye, SLORC vice chairman, deputy commander in chief of the Defense Services, and army commander in chief; Vice Admiral Maung Maung Khin and Lieutenant General Tin Tun, both SLORC members and deputy prime ministers; Lt. Gen. Khin Nyunt, SLORC secretary-1; Lt. Gen. Tin U, SLORC secretary-2; U Ohn Gyaw, minister of foreign affairs; U Thein Han, Myanmar [Burmese] ambassador to Laos; Thura U Aung Htet, director general of Protocol Department of the ministry of foreign affairs; and responsible personnel.

The Laotian side was attended by President Mr. Nouhak Phoumsavan; Mr. Somsavat Lengsavat, foreign affairs minister; Mr. Thongdam Chanthaphon, minister of president's office; Mr. Sompadit Volasan, minister of trade; Mr. Sian Saphangthong, deputy minister of agriculture and forests; Mr. Somphong Mongkhonvilai, vice chairman of the Committee for Planning and Cooperation; and Laotian Ambassador Mr. Ly Bounkham; and senior officials.

First, the trade agreement between the governments of the Union of Myanmar and the LPDR was signed by Trade Minister Lt. Gen. Tun Kyi and Laotian Trade Minister Mr. Sompadit Volasan, and the documents were later exchanged.

Continuing, the first Myanmar-Lao Joint Commission meeting agreement was signed by Foreign Minister U Ohn Gyaw and Laotian Foreign Minister Mr. Somsavat Lengsavat and the documents were later exchanged.

Next, the agreement on agriculture cooperation between the governments of the Union of Myanmar and the LPDR was signed by U Tin Hlaing, deputy minister of agriculture; and Mr. Sian Saphangthong, deputy minister of agriculture and forests; and the ceremony concluded after exchanging the documents.

### Lao President Meets With Leaders

#### Received by Than Shwe

*BK0905033695 Rangoon Radio Myanmar in Burmese 1330 GMT 8 May 95*

[FBIS Translated Text] Mr. Nouhak Phoumsavan, president of the Lao People's Democratic Republic, called on Senior General Than Shwe, chairman of the State Law and Order Restoration Council [SLORC], of the Union of Myanmar [Burma], at the Protocol Chamber of the Pyithu Hluttaw [People's Assembly] Building at 1500 this evening.

Also present at the meeting were General Maung Aye, SLORC vice chairman, deputy commander in chief of the Defense Services, and army commander in chief; Vice Admiral Maung Maung Khin and Lieutenant General Tin Tun, both SLORC members and deputy prime ministers; Lt. Gen. Khin Nyunt, SLORC secretary-1; Lt. Gen. Tin U, SLORC secretary-2; Lt. Gen. Tun Kyi, minister of trade; U Ohn Gyaw, minister of foreign affairs, and U Thein Han, Myanmar [Burmese] ambassador to Laos.

The Laotian president was accompanied by Mr. Somsavat Lengsavat, foreign affairs minister; Mr. Thongdam Chanthaphon, minister of president's office; Mr. Sompadit Volasan, minister of trade; Mr. Sian Saphangthong, deputy minister of agriculture and forests; Mr. Somphong Mongkhonvilai, vice chairman of the Committee for Planning and Cooperation; and Laotian Ambassador Mr. Ly Bounkham.

### Khin Nyunt Calls on President

*BK0905033795 Rangoon Radio Myanmar in Burmese 1330 GMT 8 May 95*

[FBIS Translated Text] Lieutenant General Khin Nyunt, secretary-1 of the State Law and Order Restoration Council [SLORC], and wife Dr. Khin Win Shwe paid a courtesy call on Mr. Nouhak Phoumsavan, president of the Lao People's Democratic Republic, and Madame Nouhak Phoumsavan at the Seinlekantha State Guest House at 1100 this morning.

### DAB on 'Incursions' on Thai Territory

*BK0905031895 (Internet) BurmaNet News in English 1530 GMT 8 May 95*

["Statement on Recent Incursions on Thai Territory" issued by the Democratic Alliance of Burma, DAB on 4 May; place not given]

[FBIS Transcribed Text] [Thai] House Foreign Affairs Committee Chairman, Mr Suthin Nopphaket has urged the Government review "Constructive Engagement" policy on Burma. Also, Mr Nopphaket has called on the Government to exclude the wayward regime to observe the forthcoming ASEAN Ministerial Meeting in July.

The Democratic Alliance of Burma (DAB) greatly share the anxiety and the concern of the ROYAL THAI GOVERNMENT on these recent unwarranted developments caused by the arrogant and undisciplined military and their cohorts under the aegis of the SLORC [State Law and Order Restoration Council] of Burma and pray that the Thai authorities manage an appropriate measure to ensure and preempt further recurrences of the nature.

Also, we immensely laud Mr Nopphaket's timely and essential step taken to urge the review on the controversial "Constructive Engagement " policy on Burma , as it serves no other purpose than to precipitate in chaos and misery on the 43 million people of Burma and a huge windfall for the illegal ruling SLORC to continue its dynastic rule on the country.

In short, it can be clearly stated that the policy has culminated in the recent and prevailing assaults on Thai sovereignty and territorial integrity, not to mention loss of Thai lives and property, and to go further ,the imposing threat on the safety and security of the region in future.

We strongly condemn recent infringements on Thai sovereignty and incursions into Thai territory by the SLORC military and their cohorts the DKBA (Democratic Karen Buddhist Army) that has greatly enraged and embarrassed the Thai authorities.

Lastly, we stand firmly behind Mr Nopphaket's initiatives on the prevailing predicaments on Thailand and the future image if the ASEAN, without the presence of the illegal ruling military oligarchy in Rangoon, a regime infamous for its gross human rights violations continued detention of Burma's popular leader, Daw Aung San Suu Kyi and political detainees, amongst many and we, Democratic Alliance of Burma firmly urged the ASEAN and the global community to deal with Burma, when and only an elected and democratic governing body is in place in Burma.

Tin Maung Win Vice Chairman of Democratic Alliance of Burma.

Date: May 4, 1995

### Report Outlines 'Abuses' by Pipeline Firms

*BK0805100795 Bangkok THE SUNDAY POST in English 7 May 95 p 24*

[Report by Douglas Steele: "Charges Against Pipeline 'Too Damn Many to List'"]

[FBIS Transcribed Text] At his January 4 meeting with anti-pipeline activists, Unocal president John Imle Jr testily rejected charges of forced labour, forced relocation and other abuses saying:

"I'm satisfied that the accusations regarding our project are incorrect. Don't ask me to list those 'cause there are too damn many to list."

Imle can add two new charges to the tally, largely because of his French and Thai collaborators on the pipeline.

According to "Michel", a Total official working in Burma, the French oil company has provided logistical and intelligence support to the Burmese army in its campaign against Karen and Mon rebels.

One specific incident cited by Michel occurred at the beginning of March, 1995 in response to a request by Col Zaw Tun, chairman of the Tanintharyi (Tenasserim) Division Law and Order Restoration Council's Tactical Operations Command.

Col Zaw Tun's request to Total was to be flown to Ban-I-Taung and along the border where his troops where fighting Karen rebels. Ban-I-Taung, is where the pipeline reaches the Thai border and is near several Karen bases.

According to Michel, the colonel requested the flight "to see what's happening at the border (and to) fly over the region because they (Slorc) launched a military operation to the north with about 300 men". The colonel was the senior commander on the scene of the operation against the Karen forces.

For large-unit commanders in armies from developed countries, the use of helicopters to survey and direct events on the battlefield is standard practice. This practice is a luxury usually denied to Burmese, however. The Burmese army lacks mechanical transport of all kinds and must regularly conscript porters to carry even ammunition and supplies.

During a wideranging, conversation, Michel also indicated that the oil company was sharing intelligence with the Burmese army in the form of aerial photography of the battle field area.

If Total is providing logistical and intelligence support to the Burmese army, the oil companies workers are put in the role of combatants in Burma's long-running civil war.

Whether Karen forces were aware of the extent of Total's battlefield involvement when they attacked a convoy of pipeline workers on March 8 is unknown. Five Total employees were killed and 11 wounded in the attack, which occurred just days after the operation to which Michel referred.

The pipeline consortium also faces self-inflicted damage on another front. In an April 17 paid advertisement run in the Bangkok Post, the Electricity Generating Authority of Thailand (Egat), acknowledged the relocation of 11 Karen villages by the Slorc to provide security for the pipeline.

The Egat, the Thai state-owned electric company, is the sole customer of the pipeline consortium. The advertisement explained why it would be unprofitable to reroute the pipeline away from the ethnic areas in Burma. According to the advertisement:

The Burmese government aims to complete its part of the gas pipeline system by 1996. The pipeline will pass through Karen villages in Layduzu district, Mergui-Tavoy province and in Mon villages, Ye-Tavoy province.

Burma has recently cleared the way by relocating a total of 11 Karen villages that would otherwise obstruct the passage of the gas resource development project.

The Egat advertisement corroborates charges of forced relocation made by the Karen National Union and human rights groups. The advertisement also contradicts earlier claims made by Total Corporation which, in a letter dated March 25, 1994, told the Washington-based Investor Responsibility Research Centre (IRRC) that:

"Since April 1993, our engineers have conducted several surveys along the whole length of the Burmese pipeline route on foot, by car and by helicopter. The area is very sparsely populated. There are few villages and the region is perfectly calm. No population displacement should occur anywhere along the pipeline route."

"Relocations" by the Burmese army are usually carried out by torching the old village and moving the displaced people to a new site at gunpoint, which is what the Karens allege happened at the villages referred to by the Egat.

Imle himself may inadvertently have corroborated another claim by Mon refugees of the existence of concentration camps associated with the Ye-Tavoy railway. During the January meeting with the activists, Imle referred to allegations of forced labour being used in the construction of military facilities, saying:

"Well, by the way, we looked for that (evidence of forced labour). The team that was over there last May (1994) actually saw some military housing areas being built with what looked to these experts who knew what they were looking at, like paid labour, craftsmen."

Mon refugees who fled the construction area claim that the Burmese army has built a series of "conscription control centres" to hold relocated villagers for forced labour on the construction of the Ye-Tavoy railway.

According to a Mon human rights monitoring group, the centres are camps surrounded by several layers of barbed wire and towers to prevent the workers from escaping.

The largest of these camps according to the Mon is at Zimba, near where the pipeline and the railway intersect. Whether the "military housing" spotted by the Unocal team was the camp at Zimba is virtually impossible to verify, as access to the area by outsiders is all but impossible.

The difficulty of gathering information in the area was illustrated by the fate of a small team of Burmese students who last March attempted to videotape labourers clearing the pipeline right of way.

According to opposition leaders in radio contact with the team, the students walked into an ambush set by Burmese troops and sustained casualties before they could extract themselves. The survivors reportedly returned to a camp along the Thai border.

## Cambodia

### Thai Foreign Minister on Sihanouk Talks

*BK0805100695 Bangkok THE SUNDAY POST in English 7 May 95 p*

[FBIS Transcribed Text] Phnom Penh — King Norodom Sihanouk wants Cambodia to become a full member of the Association of Southeast Asian Nations (Asean) in the near future Foreign Minister Krasae Chanawong said yesterday.

The Cambodian monarch has urged Asean to work out an appropriate timeframe for his country to become a member of the grouping, he added.

Foreign Minister Krasae, currently visiting Phnom Penh, was granted an audience with King Sihanouk at the Tevea Vinichhai Hall in the Khemarin Palace.

He is co-chairing the first meeting of the Thai-Cambodian Joint Commission along with his Cambodian counterpart Ing Huot. The meeting ends today.

Mr Krasae quoted the King Sihanouk as saying that Asean was a good example of regional solidarity and Cambodia wanted to join the grouping and was ready to sign the Treaty of Amity and Cooperation to obtain observer status at Asean meetings.

Mr Ing Huot is expected to ink the treaty at the annual meeting of Asean foreign ministers in July in Brunei.

"It's now up to Asean to allow Cambodia to become its next member," King Sihanouk was quoted as saying, adding that bilateral relations between Thailand and Cambodia are very good.

Mr Krasae said the Cambodian king has not forgotten Thailand's assistance in the past.

Meanwhile, Dr Krasae and Mr Huot inaugurated the first meeting of Thai-Cambodian Joint Commission yesterday afternoon.

Senior officials from the two countries had agreed in principle earlier to set up a mechanism for border cooperation and to upgrade two temporary border crossings at Khlong Luk-Poi Pet and Trat-Koh Kong to permanent border checkpoints.

Dr Krasae commented that the mechanism will help resolve problems occurring along their common border and the permanent checkpoints will facilitate cross-border trade and facilitate contact among the two peoples.

Mr Huot said the meeting paved the way for mutual understanding in resolving remaining problems between the two countries through peaceful means and through appropriate diplomatic channel.

He agreed that the establishment of a mechanism for border cooperation was necessary to ensure peace, stability and friendship along the Cambodia-Thai border.

Mr Huot reiterated his government's request for Thai officials to train its personnel as Cambodia strives to become a full member of Asean.

He said he believed the ties between Cambodia, Thailand and the other countries in the region will expand after Cambodia joins the grouping.

Dr Krasae also pointed out that the two sides has discussed the refugee problem.

He said the Cambodian government wants Thailand to repatriate the "displaced persons" who entered Thai territory because of fighting along the border or other reasons.

The Cambodian government wants Thailand to allow its ambassador to Bangkok to have access to displaced Khmers now languishing in Thai jails.

Dr Krasae, meanwhile, paid a courtesy call on Cambodian First Prime Minister Prince Norodom Ranariddh.

Prince Ranariddh was quoted as saying that he had urged Bangkok Airways to open a new direct route between Bangkok to Siem Reap.

The prince disclosed plans to set up a charter company, Royal Air Service, and invited interested parties to join the Cambodian government in this joint venture.

He also urged Thais to increase investment in Cambodia.

Prince Ranariddh reiterated that his government was sincere in its effort to solve the border problem.

"We want a good relationship with Thailand," he added.

He invited Thai Prime Minister Chuan Likphai to make a private visit to Angkor Wat while Mr Chuan invited the prince to visit Thailand.

### Khmer Rouge Threaten Australian Troops, Evans

*BK0905043395 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 8 May 95*

[FBIS Translated Text] According to a report, Gareth Evans, Australian chief gangster and thug, says that Australia will cooperate with communist Vietnam to act as leader and cop in Southeast Asia and the Asia-Pacific region.

The Cambodian people would like to tell the Australian fascist this: Do not come to commit aggression and kill the Cambodian nation and people. Beware of death through poisoned stakes piercing through your nose. Some 400-500 Australian military personnel who are cooperating with communist Vietnam and the two-headed government to continue the war to kill the Cambodian nation and people should be withdrawn immediately from Cambodia. Otherwise, if something happens and some die or are wounded, do not shout and blame the Cambodian people. The Cambodian people only want to live peacefully, but will not let others commit aggression and kill them as if it were a game.

The Cambodian people have the right to fight back and defend themselves like people elsewhere in the world. The era of colonialists and imperialists going around and behaving as masters of others has ended.

## Khmer Rouge Sue SRV, Phnom Penh Leaders

*BK0905021995 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 8 May 95*

[FBIS Translated Text] The people in Kampot and Chhuk District of Kampot Province recently met in their respective localities to compile documents for the purpose of accusing the communist Vietnamese aggressor leaders; the U.S., Australian, and French allies; and the two-headed clique with Hun Sen, Chea Sim, Ranariddh, Sar Kheng, and Tie Banh of being ringleaders and sending them to the people's court to be tried for their great crimes.

The people in general are of the opinion that the plaintiffs are the people in Kampot Province and Nuon Paet while the accused are the communist Vietnamese aggressor leaders, the alliance, and the two-headed elements Hun Sen, Chea Sim, Ranariddh, Sar Kheng, and Tie Banh. They have been charged with waging a war of aggression, plundering land and water, killing the nation and people, and exterminating the race of Cambodia. As for the Kampot Province people and Nuon Paet who have fought them, they have only fully acted on their right to self-defense. Now, Nuon Paet and the Kampot Province people have completed their lawsuit and filed it with the people's court, requesting that the communist Vietnamese aggressors leaders; the U.S., Australian, and French allies; and the two-headed clique with Hun Sen, Chea Sim, Ranariddh, Sar Kheng, and Tie Banh be tried for their great crimes as ringleaders.

## Electricity Purchase Plan From Vietnam Discussed

*BK0905004395 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 6 May 95 pp 1, 4*

[Report by Kamrang]

[FBIS Translated Text] A reliable informed source says that a project to buy 60 megawatts of electricity from Vietnam could end up in failure.

During talks held between the Cambodian Ministry of Industry, Mines, and Energy and the Vietnamese Ministry of Energy in late March, the Cambodian side asked that the electricity price be reduced to $500,000, or 110-120 riels per kilowatt-hour, and that the Vietnamese side reply as soon as possible, within 15 days. It has already been more than a month since the meeting at which the 15-day ultimatum was made; that is, twice the 15-day limit has passed but nothing has been heard from the Vietnamese side.

The source added that if no reply is received from the Vietnamese side, it can be said that the project to purchase electricity from Vietnam has failed.

At the meeting between the Cambodian Ministry of Industry, Mines, and Energy and the Vietnamese Ministry of Energy, the Vietnamese delegation quoted its leadership as fixing the electricity price at $600,000. The Cambodian side wanted the price reduced to $500,000 per kilowatt-hour during peak hours — between 0600 and 2100 — and $400,000-450,000 at other times. The peak hours in Cambodia and Vietnam are different. In Vietnam, the peak hours are between 0700 and 1200 while in Cambodia they are between 0600 and 2100. In Cambodia, electricity is used more at night for lighting than during the daytime in factories because not many factories operate here; most manufactured goods are imported.

According to the same source, two conflicting views have surfaced regarding the plan to buy electricity from Vietnam. One is that because Phnom Penh is short of power, if we buy electricity from Vietnam at a price three or four times cheaper than fuel, this will help reduce people's expenses and the environment will be problem-free as well.

As for the other view, it wants the Ministry of Industry, Mines, and Energy to contact and attract foreign investors to come and build power plants in Cambodia. This approach, it is argued, can better guarantee our mastery than the other and can provide jobs to Cambodian people who are currently facing problems.

### Official Views Rice Farming in Battambang

*BK0805120395 Phnom Penh National Radio of Cambodia Network in Cambodian 0500 GMT 8 May 95*

[FBIS Summary] Niv Narin, an Agriculture Service official in Battambang Province, says that an abandoned area of over 20,000 hectares used for growing floating rice has not yet been rehabilitated. There are over 40,000 hectares for growing floating rice in the province in the districts of Ek Phnum, Sangke, Battambang, and Moung Russei. Part of this land is in remote and insecure areas, while another part is covered by small trees. The Agriculture Service has bought 900 tons of rice seeds this year, including over 400 tons of floating rice, from Banteay Meanchey Province.

The official says that by 20 April, Battambang Province had planted only a small area with rice. Peasants growing floating rice in Ek Phnum District say the district needs over 300 tons of rice seeds this year, but so far nothing has been done to solve the problem. Due to changes in the weather and the 20-year war, only over 6,000 hectares of floating rice have been planted. A local agriculture expert says that 1 hectare of floating rice could yield between 1,200 and 2,000 kg.

## Indonesia

### Editorial Views Impact of Iran Trade Embargo

*BK0805122895 Jakarta SUARA KARYA in Indonesian 6 May 95 p 5*

[Editorial: "Is the U.S. Leadership Shaky?"]

[FBIS Translated Text] The decision taken by U.S. President Bill Clinton last Sunday [30 April] to impose a total trade embargo on Iran was clearly seen as not rallying any support from his allies. Only Japan invalidated its oil purchase contract with Iran, valued at U.S.$540 million. Countries in the European Union that have all along supported the U.S. decisions on the Middle East issues, have stated that they will not participate in the trade embargo against Iran. On the other hand, Russia has stated that it will continue exporting its nuclear technology to Iran. The Arab nations had also indicated that they will not support the U.S. move against Iran. It looks as if the trade embargo on Iran will not be effective.

Upon weighing the pros and cons, it appears that the U.S. stands to lose much more than Iran. Numerous American industries had made investments in Iran or are currently involved in joint partnerships with Iran. Last year, the U.S. exports to Iran alone amounted to U.S.$326 million. Apart from this, Conoco Inc. had just secured a new contract for the construction of a U.S.$1 billion oil refinery in Iran. Unquestionably, such a trade embargo will have a negative impact on industries and workers. Besides, Iran's economy will not be badly affected by such a trade embargo. Also, the country will not be adversely affected by the cancellation of the oil purchase by Japan and the United States. Notwithstanding, Iran will have no problem in getting some other buyers to purchase its oil. This can be seen through yesterday's rise in oil prices in world markets. Meanwhile, a prediction anticipated that fuel prices are expected to rise in the U.S..

It appears that Clinton was still impressed by the support given to the United States in 1991 when it called for a joint onslaught and the imposition of trade sanctions on Iraq. Not only did the European and Arab countries support the United States, Russia also extended its support for such a move. However, the current situation is somewhat different compared with the situation then.

Unquestionably, Iraq blatantly invaded Kuwait at that time. The European Community considered the act of usurping territory that belongs to another country as a vile act. The Arab countries gave their support because they considered Iraq a threat if its expansionist lust was not impeded. However, the call by the United States then can be considered as only venting its sentiment against Iraq. The United States and its allies clearly considered Iraq's actions as aggressive and dangerous — and that was the reason the United States imposed the United Nations Security Council resolution.

The current U.S. decision was seen as only an action to punish Iran, which supports international terrorism and to halt its nuclear weapons expansion program. Such an explanation was considered as rather illogical. The Arab countries do not view Iran as a threat. They only consider that despite Iran's support for "terrorism", military guerrilla factions exist in the country for fighting against the Israelis in Lebanon. The Arab countries do not condemn any country that opposes Israel.

The explanation given by the United States regarding the imposition of the trade embargo on Iran as an effort to halt it from increasing nuclear weapons was also considered unfair, because the United States has never taken any action against Israel for its possession of eight nuclear warheads. In fact, the United States was also firm [tegas] with Israel during the Gulf war.

Nonetheless, the countries in the European Union considered that oil prices would increase further as a result of the imposition of the trade embargo. They do not want such a thing to happen, particularly when they have just recovered from a recession.

The decision by the U.S. President to punish Iran was considered as a test for the United States in administrating the world. It was possible that the U.S. Administration was becoming shaky due to the imposition of the trade embargo and the recent drastic decline of the "world currency" in March 1995. Therefore, it is clear for Bill Clinton to see for himself that in seeking reelection, he could jeopardize his position by making such a decision. The impact from such a decision could be felt for several years to come.

### U.S., European View of East Timor Noted

*BK0805130495 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 7 May 95*

[FBIS Translated Text] The United States and a number of West European countries continue to recognize the de facto integration of East Timor into Indonesia and they have yet to extend their de jure recognition to the integration. Foreign Minister Ali Alatas told reporters in New York that those countries are awaiting the settlement of the East Timor issue through tripartite talks involving the ministers of foreign affairs of Indonesia and Portugal and the UN secretary general. The settlement of the issue will largely depend on whether the UN secretary general will put forward ideas toward a settlement as well as on Portugal itself.

According to Ali Alatas, many West European countries are displeased with Portugal because their relations with Indonesia have been frequently disrupted by Portugal over the East Timor issue. In addition, Minister Ali Alatas got the impression that Portugal was not yet ready for talks on the settlement of the East Timor issue.

### Minister Habibie Backs New Term for Suharto

*BK0805055395 Singapore THE STRAITS TIMES in English 4 May 95 p 1*

[Report by Jakarta correspondent Paul Jacob]

[FBIS Transcribed Text] Research and Technology Minister B.J. Habibie, seen as a leading contender to succeed President Suharto, has effectively backed the Indonesian leader's continued stay in office after 1998 for a record seventh consecutive five-year term.

He told reporters yesterday that Indonesia had a mechanism in place under which the 1,000-member People's Consultative Assembly (MPR), the highest legislative body, "picks the most appropriate person" for the job.

"It is a mechanism that has been entrenched in our culture and the President, he has been picked six times already, and God willing, for a seventh time," he said in an indirect reference to the 73-year-old Mr Suharto.

There was thus no need to make an issue of political succession as the MPR, which meets every five years to pick a new leader by consensus, would select "whoever the people consider the most able to lead and to implement state policy guidelines".

"He will be given the mandate and we will cooperate to help him succeed in the task," he said before a monthly Cabinet meeting at the presidential palace.

He was responding to questions on succession, ignited as an issue this week after former political and security affairs coordinating minister Sudomo said the presidential advisory council he now heads had discussed the matter with armed forces chief Feisal Tanjung.

Mr Sudomo said: "The public has so far been engaged in debate over the issue, with members of the older generation worried about it and the younger generation wanting it to happen.

"The fact is it need not be a contentious question as there is already a mechanism."

Mr Suharto had thus far fulfilled the necessary requirements.

Asked if this meant he should be reappointed, Mr Sudomo said it was for the MPR to decide whether "they think it best to appoint someone who already has the necessary experience".

But he also said there was no urgency to discuss the issue this early as it could trigger divisiveness.

Such comments have nevertheless provided an opening for the media to pursue the issue, including the question of whether the President should be a civilian or have a military background.

General Feisal, like others questioned on the issue, gave the standard response about the MPR deciding and that it did not matter if the candidate was a civilian or an ex-military man.

But Dr Habibie's comments yesterday were the first that could be regarded as preparing the ground for a possible momentum in support of Mr Suharto staying on — more so as it comes from a potential contender.

It would do little, however, to stem speculation about who should be vice-president, a crucial post in the succession race given the questions likely to arise about Mr Suharto's age and health in the five-year period from 1998.

Dr Habibie is also a possibility for the No. 2 job along with others often cited, such as incumbent Try Sutrisno, Information Minister Harmoko, army chief Hartono, National Development Planning Minister Ginandjar Kartasasmita — and lately, Mrs Siti Hardiyanti Rukmana, Mr Suharto's eldest daughter.

Both Mr Harmoko, who also chairs the ruling Golkar [Functional Group], and State Secretary Murdiono, a confidant of Mr Suharto also spoke on succession yesterday.

Mr Harmoko said Golkar had no intention of raising the issue prior to the 1998 MPR session as it was "not ethical", and would stick to election procedures and criteria already laid down.

Mr Murdiono said Mr Suharto's position was clear, namely that the MPR held the prerogative in this matter and that a candidate's civilian or military background was not at issue.

### Editorial Views Leadership Succession Issue

*BK0805120795 Jakarta KOMPAS in Indonesian 4 May 95 p 4*

[Editorial: "Several Reactions to Supreme Advisory Council Chairman Sudomo's Explanations"]

[FBIS Translated Text] Heated discussions on the leadership succession issue abated some time ago. In general, the public adhered to the advice given by Golkar [Functional Party] General Chairman Brother Harmoko that the question of succession be left to the MPR [People's Consultative Assembly] general assembly.

It would be meaningless if this issue was not discussed further. As a topic for personal discussion, the issue could become one full of speculation or merely gossip.

The succession issue has again become one of prediction. In his explanation of the succession issue to reporters, Sudomo, the chairman of the Supreme Advisory Council, stated that he has a similar opinion to those of other officials; that is, there is no immediate urgency or casus belli to bring up this issue because of the existence of the mechanism, system, and clear terms governing succession.

Mr. Sudomo added: "The case is similar to that of the next vice president and it would be best to let the MPR handle the issue. I know very well because from the start, Mr. Suharto has basically wanted a civilian to become the vice president."

The last statement by the Supreme Advisory Council chairman has given rise to several new comments. The new question is: Was the statement by Mr. Sudomo merely a slip of the tongue or was it just an idle statement?

The former commander of the Command for the Restoration of Security and Order, who is close to reporters and likes to make comments, remained very silent for some time. In making a comment, why did he choose a forbidden topic under the country's current political culture?

Professor [and Former Minister] Dr. Emil Salim's comment is considered the most acceptable among the prevailing reactions. "We have reached 50 years of independence. I am of the opinion that the people have become more mature about selecting the best leader. It is unbelievable that not even one or two best candidates can be selected from amongst 150 million Indonesians."

This controversial problem needs to be tackled at its basic source. The issue of the people's maturity is actually what we consider to be the controversy or a difference of opinion.

The arguments will remain strong as a result of the precedence set and the country's historical analogy. Undoubtedly, differences of opinion existed among the people during the foregone days in their struggle for freedom. Their opinions about independence were then considered immature.

From our experience, having confidence in the people's opinions and maturity resulted in the achievement of independence.

However, throughout Indonesia's independence, the people's maturity is one of the factors considered when major issues need to be solved. Differences of opinion among the people still exist even up to today.

The issue of the people's maturity should not arise. There are other more complex and obscure issues.

Culture and discipline, which discourage the leadership succession issue from being discussed outside the MPR, are probably due to different perceptions about the people's maturity.

In fact, the opinion and attitude expressed by Professor Emil Salim is also considered to be either generally inconsistent or not strongly consistent. This means that at the time he expressed his opinion, people were still unprepared.

He said: "What preparations did Mr. Sukarno make? What preparations has Mr. Suharto made? They have not made any preparations. As history would have it, the good side of things will surely emerge. Therefore, it is unnecessary to draw up plans because they have never existed before."

As Professor Emil Salem stressed, it is only fair that civilians refrain from embarking on any hasty and early preparations because of a mere statement. Perhaps, the economist and environmentalist wanted to remind people not to be overconfident.

Is it not reasonable and acceptable if preparations for the national leadership succession were undertaken outside this context? The present era is different from the past. In the past, a leadership change occurred only when the situation reached a critical stage. It was accepted then that a crisis automatically brought forth new leadership.

Presently, everything is stable and orderly — far from any critical situation — despite numerous reports of rampant malfeasance everywhere. The overall situation is stable and under control.

Given such these conditions, preparations and planning are needed in all issues — as they are needed for economic development. Therefore, the most strategic issues such as the stage-by-stage power transition by central authorities will logically need attention.

Any preparations should be transparent and all parties should contribute their opinions either discreetly or openly. Should the involved parties — namely the advocators of the manifestation of the people's democracy — actively make their contributions, then their contributions and discussions should not be exposed but, on the other hand, be presented when the MPR convenes its general assembly.

Numerous conflicting evaluations and opinions will arise; there are people who will express their opinions openly. That is how an evaluation of the manifestation or process of the people's democracy is substantially made. There are those of the opinion, particularly among the superstructure, that all of this should be carried out discreetly and only be heard openly during the MPR general assembly.

Going back to the basic question of people's maturity as stressed by Professor Emil Salim, it was clear that everything needs to be harmoniously agreed upon — the outline, understanding, implementation, and all other activities. All of this is still entangled in the process of reaching understanding and agreement and the process needs to be widened in accordance with developments.

What about Mr. Sudomo's statement which says: "I know very well because from the start, Mr. Suharto has basically wanted a civilian to become the vice president?"

An empirical precedence exists. The first vice president under President Suharto's leadership was Sultan Hamengkubuwono IX; the second was Adam Malik; and as for the third, a civilian candidate was at first proposed to fill the vacant position, but since no one was considered adequately competent to fill that position, only then was retired General Umar Wirahadikusumah chosen to fill the vacant office. He was then succeeded by retired Lieutenant General Sudharmono who was then succeeded by retired General Try Sutrisno. Thus, the empirical precedence for the two categories came into existence.

As such, a more pressing question is raised: How does Mr. Sudomo know that Mr. Suharto wants a civilian to occupy the next vice presidency?

A new trend of thinking has developed: How are candidates treated as civilians and militarymen? Having retired from active military service and been former high-ranking generals, President De Gaulle and President Eisenhower participated actively in politics in their respective countries because they were considered civilians.

What about our retired military personnel's involvement in our political system since the Indonesian Armed Forces [ABRI] has dual functions? Are they considered civilians or military personnel? A rational course needs to be taken in our political system, which is based on the ABRI's dual functions. In our country, retired military personnel remain loyal to the ABRI because of the current development phase and their status is considered to enhance the ABRI's function as a pillar of unity, stability, and dynamism.

On the other hand, because of its dual functions in our political system, there is no discrimination whatsoever with regard to the political position of retired ABRI officers in strategic departments.

Following closely the numerous reactions, it is generally accepted that the origin of candidates are not important but they must be among the best citizens.

Finally, how do we evaluate the explanation given by the chairman of the Supreme Advisory Council? Is is a neutral comment which refers to the past or was it a mere test?

### Foreign Investment Tops Domestic Input

*BK0905125895 Jakarta THE JAKARTA POST in English 5 May 95 p 9*

[FBIS Transcribed Text] Jakarta (JP) — Approved foreign investments in Indonesia, recorded at U.S.$15.6 billion (Rp [rupiah] 34.5 trillion) in the first four month of this year, for the first time ever overtook approved domestic investments, which reached Rp 20.74 trillion.

"This shows that foreign investors are interested in our country... It means that our country has a conducive investment climate," State Minister of Investment Sanyoto Sastrowardoyo told reporters after a meeting with President Suharto at the Merdeka Palace yesterday.

The minister, who also chairs the Investment Coordinating Board, said that the foreign investments indicated a 468 percent increase from $3.3 billion in the same period last year.

Sanyoto said last month that Indonesia's foreign investment approvals during the first quarter reached $12.9 billion.

His statement yesterday also indicated that there was a $2.7 billion increase in the approval of foreign projects within a one month period.

Approved foreign investments were recorded at $23.7 billion in 1994, as compared to $8.1 billion in 1993.

"These figures prove that Indonesia is not a high risk country for foreign investment... the figures speak for themselves," Sanyoto said.

Analysts and businessmen have said that Indonesia's rapid growth in foreign investment was driven by a deregulation package in June 1994 which scrapped a law which forbade foreigners from outright owning a wide range of industries.

Sanyoto said yesterday that the country needed at least $39 billion in foreign investment to be approved annually to support a 6.2 percent average economic growth in the years to 1999.

Sanyoto also said yesterday that Australia had substantially increased its investments in Indonesia.

"Within the first four months of this year alone, investment projects coming from Australia reached $3.4 billion," he said.

Official figures show that the list of foreign investors in 1994 was topped by Hong Kong with total commitments of $6.04 billion, Britain with $2.95 billion, and Taiwan with $2.48 billion.

Sanyoto said yesterday that he would visit Canada and the United States next week along with 30 business executives, to promote foreign investment.

### Article Views Status of Copyright Protection

*BK0905115095 Jakarta THE JAKARTA POST in English 28 Apr 95 p 4*

[Article by T. Sima Gunawan]

[FBIS Transcribed Text] Jakarta (JP) — Indonesia has been on the United States' copyright Watch List for six years due to rampant intellectual property right violations in the country.

No real action has been taken against Indonesia despite the huge losses it has inflicted on U.S. industries.

But now Indonesia may be targeted for trade sanctions as the Washington D.C.-based International Intellectual Property Alliance (IIPA) has urged the U.S. Trade Representatives to list Indonesia, along with Turkey and Bulgaria, as a "Priority Foreign Country for 1995" — the highest category for intellectual property right offenders.

IIPA President Eric H. Smith, in the alliance's February 13 report to the USTR, criticized Indonesia for poor law enforcement, saying that the country failed to deal adequately with the rampant problem of book and software piracy.

"The experience of the late 1980s, in which Indonesia virtually wiped out audio piracy, shows that it can enforce its law when it wishes to," he said.

He added that market access problems persisted in the country as well.

The USTR has until April 30 to identify countries targeted for action under the Super 301 trade law. The law allows Washington to impose unilateral sanctions on countries which deny protection for U.S. intellectual property or engage in unfair trade practices.

Established in 1984, the IIPA is an umbrella of eight trade associations of industries which rely on copyrights in the United States. It represents more than 1,500 companies producing and distributing computers, computer software, motion pictures, television programs, home videocassettes, music, records, CDs, audio cassettes, books, publications and journals.

The IIPA said that Bulgaria had exported millions of CDs produced by the state-owned pirate CD plant, while Turkey refused to respond to U.S. requests to amend its poor copyright law.

Two countries, Russia and Brazil, were recommended for the Priority Watch List, which already includes Greece, India, South Korea, Saudi Arabia and the Philippines. Another 17 countries were recommended for this year's Watch List.

The alliance also put 15 countries in its Special Mention category for piracy and market access problems.

U.S. copyrighted companies suffered estimated trade losses totaling U.S.$8.57 billion due to piracy in 43 countries last year.

Copyright violations in China and Russia inflicted losses amounting to $800 million each, while U.S. losses due to piracy in Indonesia reached $154 million, according to the IIPA.

Director General of Copyrights, Patent and Trademarks Nico Kansil acknowledged that violations were widespread in the field of intellectual property rights.

"You can't compare Indonesia with the United States, which is an established country. We are different, but we are striving to improve things," Nico said in an interview with THE JAKARTA POST.

The government's effort to improve regulation of intellectual property rights included the appointment of Nico Kansil as the Director General of in Copyrights, Patent and Trademarks at the end of 1988. Intellectual property rights used to be handled by the Director General of Law and Legislations.

Nico said he had 389 employees, but should ideally administer between 500 and 600 employees.

"We need between 75 and 100 patent examiners, but today we only have 37," he said, adding that there was an average of 3,000 patent applications a year.

Earlier this year, the U.S. Information Technology Industry Council complained that their member companies are experiencing inordinate delays in obtaining patents on applications filed in Indonesia, Thailand, India, Malaysia and the Philippines.

The council asked the USTR to put Indonesia, Thailand and India on the Priority Foreign Country List and Malaysia and the Philippines on the Watch List.

Indonesian patent examiners are not only unqualified and incompetent, but also corrupt, the council's president, Rhett B. Dawson, explained in his report to the USTR.

Nico countered, saying his office had gone to great efforts to improve the skill and professionalism of their patent examiners. They are now trained by foreign experts and go on field trips to patent offices in developed countries. A new policy offering patent examiners more chance to build their careers was also issued.

He said he did not hesitate to act against examiners who accepted bribes or lacked discipline. He said several employees had been punished for various violations. Some of them were dismissed, he added.

"We also continue to try to improve the awareness of law enforcers in the field of intellectual property rights," Nico said.

The Copyright, Patent and Trademark Office has organized seminars for the heads of district and high courts. Judges are expected not only to understand the law, but also the consequence of their decisions on the future of Indonesia's economy, Nico said.

Indonesia revised its 1982 Copyright Law in 1987 to provide more legal protection for those who deserve it, and punish violators more harshly.

The government, however, has been criticized for dragging its feet implementing the law. Not many people have been tried under the law, and the few defendants have mostly received light sentences or have been put on probation.

According to the 1987 Copyright Law, anyone found an guilty of a copyright violation is subject to a maximum seven-year jail term or a Rp [rupiah] 100 million fine.

The penalty is also stipulated the 1992 Trademark Law, which replaced the obsolete 1961 act.

The Surabaya District Court last year made a controversial decision on the piracy the 555 brand of cigarettes. The judges said that the defendant was proven to have hijacked the trademark but did not punish him on the grounds that the piracy had taken place prior to the enactment of the 1992 Trademark Law. Quoting article 1 (2) of the Criminal Law (KUHP), the judges said that if any changes stipulated under the new law were to be enforced, they should be those benefiting the defendant.

The 1961 Trademark Law did not stipulate any criminal punishment for violators.

Minister/State Secretary Murdiono announced Wednesday the government would step up its campaign against violations of intellectual property rights, mount raids to curb piracy and give harsher sentences to the violators.

Murdiono is the head of a special team established by President Suharto in 1986 to deal with problems relating to the legislations on intellectual property rights.

The team is now working to revise the copyright law, as well as the 1992 Trademark Law and the 1989 Patent Law, with the help of the World Intellectual Property Organization. The revisions, which are scheduled to be completed this year, will be followed by new laws on industrial designs, integrated circuits and trade secrets.

The revisions and drafts of the new laws will be in line with the Trade Related Aspects of Intellectual Property Rights under the new General Agreement on Tariffs and Trade (GATT) which took effect on January 1, 1995. Indonesia and other developing countries have five years to adjust to the requirements.

The amended laws will provide not only copyrights for composers, but also for performers, producers and broadcasters. This is not covered by the current law. It will also regulate rental rights for movies.

Proper legislation is required to safeguard intellectual property rights, but more important is its implementation. Even though Indonesia still has five years to adjust to GATT requirements, the government shouldn't wait until 2000 to adequately enforce the existing laws.

## Laos

### President Leaves for Official Visit to Burma

*BK0905023095 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 8 May 95*

[FBIS Translated Text] His Excellency [H.E] Nouhak Phoumsavan, president of the Lao People's Democratic Republic [LPDR], together with his wife and entourage, left Vientiane this morning for an official friendship visit to the Union of Myanmar [Burma] from today to 12 May at the invitation of H.E. General Than Shwe, chairman of the State Law and Order Restoration Council of the Union of Myanmar.

An official send-off ceremony for the president and his party was held at the National Assembly [NA] meeting hall. Attending the ceremony were H.E. Khamtai Siphandon, prime minister of the LPDR; H.E. Khambou Sounisai, NA vice chairman and chief of the NA Legal Affairs Commission; H.E. Khamphoui Keoboualapha, deputy prime minister and chairman of the Committee for Planning and Cooperation; ministers and deputy ministers; and several high-ranking officials. (Kyaw Soe Lin), charge d'affaires of the Union of Myanmar to Laos, was also on hand to bid farewell to the LPDR president and his wife and entourage.

Accompanying H.E. President Nouhak Phoumsavan on the visit were H.E. Somsavat Lengsavat, foreign affairs minister; H.E. Sompadit Volasan, minister of trade; Sian Saphangthong, deputy minister of agriculture and forestry; and Somphong Mongkhonvilai, vice chairman of the Committee for Planning and Cooperation; and a number of other officials.

### PASASON Article Hails Ties With Burma

*BK0905124795 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 8 May 95*

[Article by S. Silaphet from PASASON; date not given: "The Relations and Cooperation Between Laos and Myanmar Bear More Fruit With Each Passing Day"]

[FBIS Translated Text] Laos and Myanmar [Burma] are two neighboring countries that share a long stretch of common border and have maintained good, friendly relations for a long time. The people of Laos and Myanmar have enjoyed mutual ties and fraternal affection since ancient times. They are both Buddhist and practice many similar well-preserved customs, traditions, and cultural habits. The histories of the two countries run parallel in several facets — both were colonized by foreign aggressors and both waged arduous struggles for national independence.

In the past, the relations and cooperation between Laos and Myanmar have made fine progress in all respects on the basis of adhering to the principles of bilateral relations — to respect each other's independence, sovereignty, and territorial integrity; to refrain from interfering in each other's internal affairs or using force to resolve problems; to resolve all issues dealing with relations between the two countries through peaceful means; and to cooperate with each other on the basis of equality and mutual benefit.

In recent years, relations between Laos and Myanmar have made conspicuous progress, thus significantly benefiting both peoples. The two countries have assigned ambassadorial-level envoys to each other's capital and exchanged visits between delegations at various levels, including delegations of Buddhist monks. The people of the two countries have also regularly exchanged visits with one another. Problems between the two countries have always been settled in a sincere manner and with a sense of mutual understanding.

Some important episodes in the development of relations between Laos and Myanmar were the visit to the Union of Myanmar by His Excellency [H.E.] Khamtai Siphandon, prime minister of the Lao People's Democratic Republic, in February 1992 and the visit to Laos by H.E. General Than Shwe, chairman of the State Law and Order Restoration Council [SLORC] of the Union of Myanmar, who accorded a great honor to our country by making it his first visit to a foreign country as SLORC chairman.

Imbued with a sense of sincerity and mutual understanding to resolve various problems, Laos and Myanmar have signed many bilateral agreements — the agreement between the LPDR and the Union of Myanmar Governments fixing a permanent border demarcation line between the two countries along the Mekong River, the agreement on the formation of a joint cooperation committee between the LPDR Government and the Union of Myanmar Government, and the agreement on tourism cooperation between the LPDR and the Union of Myanmar Governments.

Last year, the Union of Myanmar sent a consignment of relief rice and food items to Laos when we were suffering from difficulties caused by natural disasters, thus displaying a fine aspect of the time-honored, longstanding, and close relations between the peoples of the two countries.

Laos and Myanmar possess similar potentials and strengths in carrying out national development. Thus, to promote mutual cooperation in the economic, scientific, technological, cultural, public health, tourism, and other fields, the two countries have continued to exchange views and consult with each other with a view to adopting appropriate forms and methods to reap more fruit in the mutual relations and cooperation between the two countries.

The current visit to the Union of Myanmar by H.E. Nouhak Phoumsavan constitutes a new signal indicating that the existing relations and cooperation between the two countries will be more extensively and profoundly developed, thereby strengthening the friendship and fraternal affection between the Lao and Myanmar peoples.

### CTPC Minister, Delegation Leave for France

*BK0805114895 Vientiane KPL in English*
*0935 GMT 8 May 95*

[FBIS Transcribed Text] Vientiane, May 6 (KPL) — A governmental delegation of the Lao PDR [People's Democratic Republic] led by Phao Bounnaphon, minister of communication, transport, post and construction (CTPC), who is a special representative of the president of the Lao PDR, on May 5 left here for France to attend a celebration of the 50th anniversary of the victory over the fascists in the Second World War at the invitation of Francois Mittergand, president of the Republic of France.

The celebration will be organized on May 8, in Paris, capital of France.

Seeing the delegation off at the airport were Khamlouat Silakon, deputy minister of CTPC, senior officials from the Ministry of CTPC, and the ministry of foreign affairs. General Chesnel, ambassador extraordinary and plenipotentiary of the Republic of France to the Lao PDR, also attended.

## Philippines

### Columnist Blasts U.S. 'Hypocrisy' on Iran

*BK0905095795 Quezon City MALAYA in English*
*5 May 95 p 4*

[Column by Ellen Tordesillas: "U.S. hypocrisy over Iran"]

[FBIS Transcribed Excerpt] By the refusal of Europeans and Japanese to join the United States' crusade against Iran, the trade embargo collapsed before it even began.

French, German, and British officials have expressed the views that the trade embargo was counter-productive and they preferred engaging Iran in "critical dialogue."

In its desire to cripple Iran, which has dared to stand up to American intervention and oppression, the United States has lobbied with China and Russia to refuse Iran assistance in its nuclear power program.

China and Russia have refused saying that they see nothing illegal in helping a country go nuclear.

The United States, which is in the forefront of selling nuclear power to allies like the Philippines, however, peddles the line that nuclear power is dangerous in the hands of people like the Iranians.

While American businessmen engaged in nuclear energy tell Third World allies that going nuclear in power generation does not necessarily mean engaging in nuclear weapons production, U.S. officials are declaring to the world that Iranians' nuclear program will lead to nuclear weapons production to be used for global destruction.

The United States holds one of the world's biggest arsenals of nuclear weapons. Why is it wrong for other countries to have nuclear weapons to protect themselves from bullies like the Americans?

President Clinton accused Iran of sponsoring terrorism.

American officials conveniently forget the sufferings of Iranians directly caused by them.

The United States has refused to release billions of dollars of Iranian assets in American banks since the takeover by Iranian students of the U.S. Embassy in 1979. That money could have gone a long way in Iran's economic rehabilitation.

The Americans also do not have clean hands in the matter of mass murder.

In July 1988, a cocky naval officer released a missile from a U.S. warship "USS Vincennes," at the Strait of Hormuz and shot down an Iranian airliner mistaking it for a military plane.

All the 290 passengers in that flight were killed and not a word of apology was uttered by the American Government.

The United States offered to pay the families of the victims but the Iranian Government said payment has to be accompanied by a statement of remorse.

The Americans think they are too superior to apologize to Third World countries undergoing economic difficulties because of an 8-year war with Iraq which the United States supported before the 1990 Gulf War.

Yet, during the war against Iraq, the United States sought and got the help of Iran.

In declining to join the U.S. trade embargo, French Foreign Minister Alain Juppe said, "We do not believe in unilateral embargo."

Guenter Rexrodt, German economic minister said, "We do not believe that a trade embargo is the appropriate instrument for influencing opinion in Iran and bringing changes that are in our interests."

A spokesman of the British office said, "As a trading nation, we have taken the view that trade embargoes are not an instrument of policy that we favor. We're not convinced that they work."

The Japanese Government spokesman said "No" very diplomatically. He said that his government would study the idea.

Why would other countries go by the U.S. public declaration of economic embargo when Americans have a bad record of violating its own prohibition as in the case of the Iran-Contra deal when the government secretly sold arms to Iran to finance the Contra fighters in Nicaragua.

Clinton had hoped to deprive Iran of at least $4 billion in oil income with the trade embargo. But that was wishful thinking because Iran could easily follow the Iran-Contra model and sell oil through third parties.

The U.S. obsession is not expected to stop with the failure of its trade embargo. It would not be beyond them to ask other countries to join them in leaning on Iran using the fight against terrorism as an excuse.

It is well known in diplomatic circles that the United States was not very happy over the visit of President Ramos to Iran last March. During that visit, the president got the commitment of President Rafsanjani to support the government's peace efforts in Mindanao.

That's hardly a line you could attribute to a government that sponsors terrorism.

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### Ramos Approves Investment Priorities Plan

*BK0805051295 Manila BUSINESS WORLD in English 2 May 95 pp 1, 8*

[Report by Rachel E. Khan]

[FBIS Transcribed Text] President Ramos yesterday [1 May] approved the 1995 Investment Priorities Plan (IPP), which targets P[Philippine pesos]300 billion worth of investments this year.

In his recommendation to the president, Trade and Industry Secretary Rizalino Navarro noted that the new IPP would help push the direction of investments to make the country more competitive in light of its entry into the Word Trade Organization. The title of the 1996 IPP is "Gearing Up to the New World Order."

Under Memorandum Order No. 279, which contains the approval, priority areas are: export activities; agriculture; food and forestry-based industries, basic industries like iron and steel, petrochemical, chemicals and petroleum products; engineering industries such as manufacture of machinery, equipment, parts and accessories, and aluminum rods; infrastructure and services including Build-Operate-Transfer projects, tourism-related facilities and socialized housing; health products and services, modernization and rehabilitation programs for mining, iron and steel, power, commercial fishing fleet, metals and engineering; environmental conservation and protection, and research and development which are science and technology-oriented.

On the other hand, those deleted from the IPP coverage include fertilizers, industrial gas sugar refinery, or they fall under export activities like veterinary vaccines, electronics and telecommunication products, and medical services. In his recommendation to the president, Mr. Navarro said these activities were removed because they were already covered by the universalization of equipment incentives under Republic Act 7369.

The Trade chief said performance standards have been set in the 1995 IPP, particularly project implementation commitments local value-added, capital-to-labor-ratio, level of technology and annual sales. Also, the new IPP has time-bound projects including modernization programs, industrial estates, mass-housing components and tourist buses as well as the phasing down of capital equipment incentives over three to five years.

### Ramos Assesses National, Local Elections

*BK0905065595 Quezon City Radio Filipinas in English 0230 GMT 9 May 95*

[FBIS Transcribed Excerpt] President Ramos said last night that the 8 May elections were generally peaceful as he urged the people to remain extra vigilant to forestall cheating, fraud, coercion, harassment, terrorism, violence and other illegal practices. In a press conference, the president asked the citizenry to start cleaning up towns, cities and provinces where posters and other campaign paraphernalia were posted all over the place. He said the cleaning up should be a joint responsibility of local government units and residents of each community.

Assessing election situation throughout the country, the chief executive said that except for few violent incidents in the provinces, this May's polls are more peaceful than previous ones. The president said, and we quote, while the ballots are being counted and canvassed we say prayers of thanks to the Almighty God for guiding our people and other common nature problems that could have now been historic this mid-term national and local 1995 polls, end of quote. The president said that we can now re-emphasize the need for consolidated faith and ability among the people about personal loyalties and party differences.

In the Philippines, President Ramos called on the citizenry and the media to be alert and vigilant on the official count, tabulation, canvass and declaration of winners. He urged the people to perform for the Commission on Elections, Comelec; Philippine National Police, PNP; the Armed Forces of the Philippines, AFP; and other certified voters' (center) and accredited groups to help to ensure honest, orderly and peaceful elections.

He also commended the broadcast media for keeping the people informed on election developments from time to time. The president said that the political maturing did not stop in the 8 May elections but we must carry out a lift to a higher level the process of democratic empowerment to (advance) economic and social reforms. Asked whether he was confident about the victory of the administration's Senate bets, President Ramos said it was too early to comment about the outcome of the polls, although he expressed optimism that his party will get a clean sweep in the vote. As for security, Mr. Ramos said that he is maintaining a close watch on developments, whether election-related or not.

President Ramos yesterday expressed optimism that the elections would enhance democracy and propel economic growth. The president said after voting at the A. Pasinggal Central Elementary School in Barangay [village] Poblacion, West Pangasinan. He was accompanied by first lady Amelita Ramos who also voted in the same place. The first couple voted at 0220 GMT at Precinct No. 6-A at the Maka-Diyos classroom, the same place where they voted in 1992 presidential election.

They were escorted to their voting precincts by [Pangasinan] Vice Governor Ranjit Shahani, who is running for congressman for the sixth district of the province. The president reiterated his call on the Filipino people to choose the right candidate to be elected in the national and local level because the country's future is at stake. Let us not forget what we achieved in the EDSA [Epifanio de los Santos Avenue] Revolution in February 1986 and watch the return of democracy, but that has been tarnished by traditional politics through the use of terrorism, the use of guns, gold and goons and warlordism, the president said.

When pressed, she said, with the whole ballot of Lakas-Laban [parties] senatorial candidates, first lady Amelita Ramos said, why, of course!

Ten administration and two opposition candidates enjoyed an early lead in the senatorial race. This is according to partial unofficial list gathered early this morning by radio station DZRH super count.

Filipinos have voted for new congress and thousands of local officials, Monday, in a test of President Fidel Ramos's popularity. Various reports say 18 people injured, 35 died.

Office seekers included the only son of the late President Ferdinand Marcos, Army soldier involved in the coup attempt of Ramos's successor Corazon Aquino. Complete results could takes weeks because of poor communication and laborious counting system. Early unofficial count by media however showed Ramos's candidates leading from nine of the 12 senate seats. Ferdinand Bongbong Marcos Jr. was trailing in the Senate race, at least of the early returns that came from eight radio reports. His mother, Imelda, is seeking a house seat for Leyte Island.

Senate had [word indistinct] for turning the Philippine economy and restore political stability but hits administration party when Singapore executed a Filipino maid 17 March for the 1991 murders of another Filipino maid and a four-year old Singaporean boy. Many Filipinos protested the hanging and said the government did not do enough to prevent it.

Election Chairman Bernardo Pardo said between 70 and 80 percent of the nation's 36 million registered voters cast ballots for 12 senators, 204 members of the House of Representatives, provincial governors and local officials. Pardo described the voting as generally peaceful despite scattered violence.

## Thailand

### Editorial Views Problems Facing WTO

*BK0905093395 Bangkok BUSINESS DAY in English 9 May 95 p 4*

[Editorial: "The Problems of WTO as Dispenser of Justice"]

[FBIS Transcribed Text] Now that the World Trade Organization (WTO) has set up what appears to be an effective mechanism for adjudicating trade disputes among its members, two major problems remain. Based on the quantity and complexity of the complaints that WTO members have lodged against one another in just the first four months since the organization came into being, there will undoubtedly be a huge backlog of cases and long delays in processing them in the very near future. Additionally, the WTO's mechanism for enforcing the decisions made by its panels on trade disputes appear to have more bark than bite.

The WTO's process for adjudicating trade disputes consists of establishing a panel which hears the case and renders a decision. Once a decision is rendered, it is binding on the parties to the dispute, and only a unanimous vote of WTO members can negate the panel's decision.

A partial list of some of the cases which are already placed before the WTO or will soon be on the calendar gives a look at the tip of the iceberg. Just yesterday Japan said that it will follow through on its previously stated threat to take the US to the WTO panel over the issue of opening up the automobile and auto accessories markets in Japan. On another issue, Venezuela wasted no time in lodging a complaint against the US, alleging that the US uses one procedure for determining pollutants in domestic gasoline and another measure for imported gasoline. Brazil made the same complaint to the WTO soon later. Meanwhile, the US took on South Korea, accusing the latter of using inspection delays as a tool to prevent the importation of fresh fruits and vegetables (South Korea has since made some concessions on this matter, and so the WTO may not have to handle the case.)

Closer to home, Singapore is disputing Malaysia's trade policies and practices in regard to the importation of petro-chemical products. Not surprisingly, a series of trade disputes is brewing between the European Union (EU) and various other countries, including the US which recently accused the EU of unfair trading practices in requiring new members to impose higher tariffs.

Once WTO panels make their decisions compliance enforcement becomes the paramount issue. A panel's decision is final unless vetoed by a unanimous vote of the members. If a "guilty party" refuses to abide by the decision of the panel, fines may be imposed. And if there is further resistance, trade sanctions may be imposed.

There are two major groups of critics and skeptics on the issue of enforcing WTO decisions. The first group maintains that imposing fines and sanctions is not effective because the process may take years. And if the fines and sanctions are not sufficiently powerful, the culprits may gain more economically and financially from staying the course than from giving in. The other group of critics, led by US conservative lawmakers, claim that the WTO is assuming the power of a "world government" and could infringe on the sovereign rights of nations. In this regard, US some lawmakers want American judges to review WTO panel decisions.

### Suphachai Opposes U.S. Sanctions on Japan

*BK0905074895 Bangkok THE NATION in English 9 May 95 p B2*

[FBIS Transcribed Text] Deputy Prime Minister Suphachai Phanitchaphak expressed disapproval of a US threat of retaliatory action against Japan if the two countries fail to come to an agreement over access to the Japanese automotive market.

"The US government should find a solution through the World Trade Organization (WTO), instead of seeking unilateral trade sanctions. The US is acting as if the WTO is meaningless," he said.

US officials have said privately their government will impose sanctions of at least US$1 billion on Japanese exports if the talks fail. According to The Associated Press, President Clinton's economic advisers urged him on Sunday to approve a package of stiff sanctions designed to pry open the Japanese market for imports of US automobiles and auto parts.

Suphachai said the US should instead seek negotiations by pushing WTO members to remove protective measures.

He cited the example of the WTO's successful resolution of a recent trade dispute between Malaysia and Singapore over petrochemical imports. The two countries found a solution because they negotiated under the umbrella of the WTO, which acted as an impartial mediator, he said.

### Krasae Departs for ASEAN-Canada Meeting

*BK0905093695 Bangkok Radio Thailand Network in English 0000 GMT 9 May 95*

[FBIS Transcribed Text] ASEAN and Canadian foreign ministers are meeting in Vancouver, Canada during 9-11

May. Thailand's foreign minister, Krasae Chanawong, is representing Thailand at the meeting. Minister Krasae and his seven-member delegation left for Canada yesterday.

He said the ASEAN-Canada ministerial meeting will examine the results of the G-7 summit and their impacts on ASEAN. The meeting will focus on economic and political issues, including the restructuring of international institutions such as the United Nations and the World Bank after 50 years of their existence, in line with changes in the world at present and in the 21st century. On economics, the meeting will emphasize sustainable development, financial stability, eradication of poverty, and trade liberalization. He pointed out problems in Bosnia-Herzegovina, the Middle East peace, Myanmar [Burma], Korean peninsula, and the South China Sea as priority issues to be discussed by the meeting.

Following the ASEAN-Canada ministerial meeting, Foreign Minister Krasae will travel to Memphis, Tennessee, the United States to take part in the Memphis in May International Festival during 11-14 May. Thailand is this year the honored country at the festival. A 70-member cultural troupe from the Fine Arts Department is participating in the festival.

### Agreement Reached With Cambodian Military

*BK0805073595 Bangkok THE NATION in English 8 May 95 p A2*

[FBIS Transcribed Text] Phnom Penh — Cambodia has promised to send more evidence about the murder of 22 Thais in its Preah Vihear province and the Thai military will be asked to help suppress the Khmer Rouge, Thai and Cambodian senior officials said yesterday.

Thai and Cambodian army officers met to work out steps to bring the guerrillas to justice for their resistance against a legitimate government and the murder of the Thais, Defence Ministry Permanent Secretary Gen. [General] Prasoet Sararit said yesterday.

Gen. Prasoet accompanied Foreign Minister Krasae Chanawong to Phnom Penh to attend a Thai-Cambodia Joint Commission meeting, ending yesterday.

Prasoet held separate talks with Cambodia's Defence Minister Gen. Tie Banh.

"Gen. Tie Banh promised me that his government would try to gather more information about the death of the loggers last year. The Thai Army would not let the case end with the Khmer Rouge blamed but without bringing the culprits to justice," Prasoet said.

Army Commander-in-Chief Gen. Wimon Wongwanit has criticized a Cambodian report concerning the killing by saying it did not provide any evidence to back its claim that the deaths were the work of the Khmer Rouge.

Gen. Prasoet said he was informed that Cambodia ordered personnel in the areas where the murders took place to locate the outlawed guerrillas. "We realize the efforts the Cambodians are putting into this, but we want it resolved as soon as possible," he said:

Meanwhile, Cambodian Foreign Minister Ing Huot said at a press briefing that although Thailand was not satisfied with the report, his side had clear evidence that pointed to the guerrillas.

"If we can bring the Khmer Rouge in to face legal action, we will,'' Ing Huot said.

Ing Huot said officials from both armies would meet in the near future to work out the next step to solve the murders of the BLP logging company labourers.

"We will ask the Thai Army to help cooperate in tackling the Khmer Rouge so that the case can be solved with the suppression of the guerrillas," he said without elaborating. Thailand has been accused of helping the Khmer Rouge, enabling them to continue their resistance to the Cambodian government.

Krasae and Ing Huot yesterday officially closed the first JC [Joint Commission] Thai-Cambodian meeting, with the emphasis on border problems.

Both sides agreed to set up a three-level mechanism to help tackle existing and future border problems, the mandate of which has yet to be clarified.

Thailand endorsed upgrading two of the six border crossings proposed by the Cambodians as permanent; they are at Cambodia's Poipet Town to Aranyaprathet district, Sa Kaeo province crossing and Cambodia's Koh Kong to Klong Luek, Tak province.

Krasae said that Thailand approved only two, as the rest need upgrading before being considered.

"The most important factor is that we are sure that the safety and security for Thai people trading and going in and out at the proposed checkpoints is guaranteed,?' Krasae said.

Ing Huot said that he and Krasae agreed to lead Foreign Ministry officials to the proposed border checkpoint at Surin province to O Smach area in Cambodia so they could talk and exchange views on the border problems and see if the checkpoint was secure enough.

"I will lead an official delegation, and Dr. Krasae will do the same, to the crossing to examine the area. We also agree to do the same at any other border points that have seen trouble," Ing Huot said.

An informed source said Cambodia has pushed hard for the upgrading of the Surin-O Smach check point because First Prime Minister Prince Norodom Ranariddh has close connections with the area.

Also discussed during the two-day meeting was an extradition treaty, in which Ing Huot said the Thailand had already submitted a draft agreement of the treaty for Cambodia to study.

"We are sure that both countries will sign the treaty in the near future, at least within the next year," Ing Huot said.

Cambodia has also asked Thailand to send "displaced Cambodians" back to safe areas provided by the Cambodian government, a request Krasae said Thailand would agree on.

Ing Huot said it depended on the definition of ''refugee and displaced person'', Cambodia defines some individuals as refugees but Thailand prefers the definition displaced persons.

Thailand and Cambodia had been in conflict when the Cambodian army attacked the Khmer Rouge stronghold in Pailin which resulted in an influx of Khmer Rouge members, mostly women and children. The Thai Army repatriated them to their original area without consulting Cambodia and non-government organizations.

The move drew strong criticism from the Cambodian government, which wanted the people moved to areas provided by them. Ing Huot, during the meeting, asked the Thai side to allow the Cambodian ambassador to visit the camps in order to identify the refugees.

### Effect of Military Action Against Burma Viewed

*BK0805053195 Bangkok THE NATION in English 8 May 95 p A4*

[Editorial: "From Appeasement To Encouragement"]

[FBIS Transcribed Text] Amid the hail of machine-gun and rocket fire that came raining down from Thai gunships on Friday was a crude message to the DKBA [Democratic Karen Buddhist Army] and Burma's other warring ethnic groups: Welcome to the new world order and watch your backs.

Barely had the guns cooled from Thailand's most serious military action since the 1988 Ban Rom Klao war with Laos, and Thai and Burmese leaders were referring to the cross-border assault as if it had never happened.

"There are no problems at all between our countries," Interior Minister Sanan Khachonprasat told reporters yesterday as he inspected the battle-scarred frontier.

The minister's comments came just hours after Burmese newspapers hit the streets with quotes from junta leader Khin Nyunt saying Burma had no "major problems" with its neighbours. The about face was stunning. Within 48 hours, the leaders of both country's had gone from sabre rattling to back slapping.

The Thai operation, which followed a green light from Rangoon, and was reported to have killed as many as 100 guerrillas, should have finally woken the DKBA up to the fact they were never more than pawns in a deadly SLORC [State Law and Order Restoration Council] game to wipe out ethnic resistance to its rule.

Nurtured, armed and prodded into confrontation with Thai border troops, the breakaway Karen group was abandoned the moment it become a publicly unacceptable impediment to the greater goal of Bangkok and Rangoon — the building of a flourishing economic relationship.

#### Economic prospects

Decades of suspicion have been cast away as the two governments eye the prospects of economic gain — although it is for slightly different reasons.

Having failed on every count to legitimize its hold on power, SLORC is hoping it can deflect an embittered population's passions from politics to making money. Thailand's interests are nearly as cynical. In a world were trade and economics now set the agenda, it doesn't want to lose the comparative advantages of its front line position to its ASEAN allies as they make the jump on Burma. There is also the additional Thai fear of allowing Burma to be sucked in by the China's creeping "sphere of influence''.

#### Sweet packaging

This policy, known as constructive engagement, originally came packaged with pledges to try to improve human rights conditions in our woebegone neighbour. Prime Minister Chuan Likphai and his ministers made it clear on Saturday, however, that they are losing interest in the pretence of trying to draw any kind of concessions from their counterparts in Rangoon.

"The national policy on Burma will continue and nothing will change it," Chuan said Saturday, apparently referring to an ongoing crackdown on dissidents in Rangoon and the armed assaults on Thailand's integrity.

The government's line has become the cowardly ASEAN refrain of not meddling in the internal affairs of a neighbour. "They have their own system of government and it is not our position to interfere."

The stand is shameless. Not only is it an abdication of Thailand's international responsibilities to work for the improvement of human rights in Burma but even more distressingly, it is a signal to Rangoon that it now has the unspoken support of Thailand for the disgraceful way it rules.

Thailand's policy is no longer just appeasement of one of the region's most worrisome sources of unrest but outright encouragement.

And all this in a week Rangoon-backed guerrillas rampaged through Thailand provoking Thailand to launch air strikes on its neighbour.

Moral outrage it seems, is no match for bare-faced economic interest.

### Chuan Discusses Burmese Border Situation

*BK0905143995 Bangkok Radio Thailand Network in Thai 1200 GMT 9 May 95*

[FBIS Translated Text] Prime Minister Chuan Likphai granted an interview to reporters at Government House this afternoon following the cabinet session. Speaking about the situation along the Thai- Burmese border, he said the trouble at the border is a local problem and that efforts have been made to solve the problem in a very cautious manner so that the trouble will not blow up. It is not up to Thailand to make the situation return to normal because the entire issue is Burma's internal affair.

[Begin recording] [Chuan] It is not up to us. The entire issue is Burma's problem; that is, a problem between two ethnic minority factions in Burma. We must understand the situation in Burma and realize that Burma has conflicts with more than ten ethnic minority groups. Burma has been able to reach agreements with more than ten groups, but there are two groups that have still not agreed to hold negotiations with Burma — the Karens and the Khun Sa group. These two groups remain an internal problem for Burma to settle.

Our involvement stems from the fact that the ethnic minority in question lived in the border area close to us — especially in Sop Moei District of Mae Hong Son, where both Buddhist and Christian Karens lived. There was no problem until a rift broke out between the two factions and one faction violently attacked the other. The faction that was overwhelmed fled into our territory. The whole issue had nothing to do with us; it only concerns Burma. As a neighboring country and in view of humanitarian principles, however, we took care of those who fled across our border and gave them shelter. The problem flared up when one faction attempted to push those in Thailand back into Burma. The method they used was not persuasion, but rather raiding and burning the shelters.

Thus, we see it as Burma's internal affair. Burma has admitted, however, that it cannot control these people. Therefore, it is our duty to deal with them.

[Unidentified reporter] They refuse to help us solve the Karen problem, but they have been trying to pressure us to help them suppress Khun Sa's army, which is also Burma's internal affair. What about the accusation that we have assisted Khun Sa? Is there any truth to the story?

[Chuan] I think there has been an attempt to divert attention from the present situation. The question of Khun Sa should not have been brought up at this time. The entire issue is meant to divert attention from the Karen issue.

As I said, the problem of Khun Sa is also Burma's internal affair. It is another group that refuses to talk with Burma and has continued fighting Burma. It is Khun Sa's group that was responsible for violent fighting that resulted in serious losses on both sides. It is Burma's internal issue. To mention Khun Sa now is only a pretext and has nothing to do with us. [end recording]

## Vietnam

### President Le Duc Anh Arrives in Paris

*BK0805094795 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 7 May 95*

[FBIS Translated Text] According to a Voice of Vietnam correspondent in France, Vietnamese President Le Duc Anh is now in the French Republic to attend the 50th anniversary of victory over fascism at the invitation of French President Francois Mitterrand. President Le Duc Anh arrived in Paris at 1417 local time, or 1917 [1217 GMT] Hanoi time, on 7 May.

Present at the airport to welcome the Vietnamese president were Mr. Blanche Maison, chief of the General Department of Asian-Australian Affairs under the French Ministry of Foreign Affairs, and our country's ambassador to France.

### Bilateral Relations With France Examined

*BK0905021795 Hanoi Voice of Vietnam in English 1000 GMT 8 May 95*

[Station commentary]

[FBIS Transcribed Text] Vietnamese President Le Duc Anh and his entourage have arrived in France for the 50th celebration of the victory over fascism on Sunday at the invitation of French President Francois Mitterrand. A red-carpet welcome was given to the Vietnamese president. To celebrate the event, the French ambassador to Vietnam, Mr. Gilles d'Humieres, was interviewed by the national newspaper LABOR on Franco-Vietnam relations.

The ambassador said: We highly appreciate the significance of President Le Duc Anh's visit. It is the first visit to a Western country by President Le Duc Anh, and it is an honor for France. Besides attending the celebration of the victory over fascism, President Le Duc Anh will visit economic establishments and cultural and historical monuments of France. The president will tour other cities besides Paris and will meet with French senior officials. However, it is [word indistinct] to be a personal visit, that is why no agreements are expected to be signed.

On Franco-Vietnam relations, the French ambassador said the Vietnamese president's visit underpins the already-good relations between the two countries. He said that although relations between the two countries have experienced some minor differences recently, the French ambassador said the differences would not have a negative impact on the long-term relations between the two countries. To put it more exactly, he said, a number of cultural projects have not yet been implemented due to disagreements. But the French ambassador said the projects would soon be implemented and it was a normal international practice.

French policy is to promote Vietnam-Franco relations and many French people have come to Vietnam to inquire about investment possibilities. Vietnamese nationals living in France have played an important role in French economic development. Those same people are capable of developing relations and cooperation between Vietnam and France in various areas, including investment and trade. One vivid example is the drive to learn French in Vietnam nowadays and for Vietnamese to be learned in France. The French Government is implementing measures to financially support French projects in Vietnam. All of this have been stated clearly in the financial protocol signed between the two governments. France wants Vietnam to create favorable conditions for foreign investors in Vietnam, particularly legal and administrative procedures, so more foreign investors will come to Vietnam.

Turnover between the two countries in 1993 was 2.6 billion francs. In the first eight months of 1994, it was 2.7 billion francs. French Government aid to Vietnam also increased from 594 million francs in 1993 to 2.7 billion francs last year. By the first quarter of this year, France ranked ninth among foreign investment countries in Vietnam. He hoped all those figures will increase in the future.

### Le Duc Anh-Hafiz Al-Asad Talks Cited

*BK0805125295 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 6 May 95*

[Report by Truong Cong Hoa from Syria]

[FBIS Translated Excerpt] [Passage omitted on the reporter's impression of the warm welcome given by the Syrian people to Le Duc Anh] Dear friends: Apart from a warm welcome, Syrian President Hafiz al-Asad and SRV President Le Duc Anh shared a substantial congruence of views during their talks on the need to further develop the multifaceted relations between the two countries and on regional and international issues of mutual concern. This was the result of the talks.

While President Le Duc Anh was holding talks with President al-Asad, cabinet members of the two countries held many sessions to discuss various pressing issues aimed at spurring bilateral relations in all fields. As proposed by Vietnam and approved by the Syrian side, it is necessary to expand direct relations between Vietnamese and Syrian enterprises, to extend indefinitely a trade agreement on the trade of goods that are not banned by the two countries, to formulate procedures for financial settlements via banks, to organize trade fairs, and so forth.

Visiting Syria this time, we had a chance to witness various efforts of the Arab Socialist Renaissance Party led by President al-Asad and of the Syrian people in their national construction.

Syrian party and state leaders expressed their concern over the present level of relations between Vietnam and Syria, saying that it is not proportionate with the development of their bilateral relations. Despite their profound mutual understanding and mutual support, their political, economic, and trade relations have yet to be upgraded to the proportion required. It is because of this that Syrian President al-Asad promptly approved those proposals made by responsible ministers of the two countries. Afterwards, responsible ministers of the two countries signed in Damascus on the afternoon of 5 May a framework agreement on economic, cultural, scientific, and technical cooperation; an agreement on the indefinite extension of a trade agreement signed by between the two countries in May 1994; and a program for cooperation in education and training.

Speaking during an interview granted to a Radio Voice of Vietnam correspondent, His Excellency Mohamed al-'Imadi, Syria's minister of economy and foreign trade, stressed: The framework agreement is a very good foundation for our two countries to spur our bilateral relations in the economic, cultural, scientific, and technical areas — the most important domains in our bilateral relations. We wish to see our bilateral relations increasingly strengthen and develop. We have high expectations of the Vietnamese people as they are very reliable partners. Although the two countries are widely apart geographically, we always feel that Vietnam is very close to us. Led by President al-Asad and President Le Duc Anh, we believe that we will be able to satisfactorily implement all the agreements already signed.

Dear friends, the official friendship visit to Syria of SRV President Le Duc Anh marked a turning point in the relations between the two parties, peoples, and states of Syria and Vietnam just as President al-Asad said at a banquet held on the evening of 4 May in honor of President Le Duc Anh: With the desire of the two parties, governments, and peoples, it is certain that the time-honored close relations between the two peoples of Vietnam and Syria will continue to develop.

### Influx of Foreign Investment Capital Reported

*BK0905024895 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 8 May 95*

[FBIS Translated Text] Last month, nearly $1 billion was invested in 35 approved projects in Vietnam. Thus, since early this year, as many as 121 investment projects with a total registered capital of more than $2.4 billion have been licensed. According to the State Committee for Cooperation and Investment, there are three projects involving investment capital of more than $100 million. They include a windowpane joint venture with Japan in Ha Bac, which involves investment capital of $118 million, a vacation resort joint venture with the United States in Quang Nam-Da Nang, which involves investment capital of more than $243 million, and a joint cement venture with Japan in Thanh Hoa which involves, investment capital of $347 million.

### Cabinet Discusses 5-Year Plan, Other Issues

*BK0805112095 Hanoi VNA in English 1231 GMT 8 May 95*

[FBIS Transcribed Text] Hanoi VNA May 7 — The government convened its regular session in Ho Chi Minh City on May 5 and 6 under the chairmanship of Prime Minister Vo Van Kiet.

The members of the cabinet heard and discussed the direction for socio-economic development in five years (1996-2000), government's plan on road and urban transport, initial results of the implementation of the prime minister's instruction on re-arrangement of housing fund under the management of ministries, minister-level and government agencies.

Addressing the meeting, the prime minister urged cabinet members to work with all sectors and localities to review restrictions to the current renovation process with a view to setting correct directions and concrete and appropriate solutions for socio-economic development in the next five years and longer. He considered the establishment of transport order and re-arrangement of housing fund steps necessary for the execution of legal regulations and maintenance of the country's order.

## Australia

### Government Asset Sale Leads to Budget Surplus

*BK0905100895 Hong Kong AFP in English*
*0953 GMT 9 May 95*

[FBIS Transcribed Text] Canberra, May 9 (AFP) — The Australian government announced Tuesday a multi-billion dollar sale of state assets to drive its forecast budget into an unexpected surplus for the year to June 1996.

Treasurer Ralph Willis outlined a 1995-96 budget surplus of 718 million Australian dollars (530 million US) following a forecast 1994-95 budget deficit of 12.150 billion dollars.

The budget surplus would climb each year to reach 7.399 billion dollars by 1998-99.

"It is the largest ever turn-around in the budget outcome," Treasurer Ralph Willis told parliament. "It brings the budget into surplus three years earlier than previously forecast."

Markets had expected a 1995-96 budget deficit of two billion to three billion dollars as the government tightened its grip on spending and revenues to help sustain three years of economic growth.

The startling move into surplus was achieved with a 5.35 billion dollar program of asset sales, including the government's 50.4 percent stake in Commonwealth Bank of Australia and 75 percent holding in airline Qantas.

Other sales included long-term leases over federal airports, including airports in Sydney, Melbourne, Brisbane and Perth to be completed by December 1996, and a big slice of cargo shipper ANL Ltd.

Willis said the budget surplus and measures to increase private saving were aimed at tackling the "major constraint on growth" — the declining level of national savings.

Reliance on foreign savings is largely blamed for Australia's massive current account deficit, forecast at a year average of 27 billion dollars in both 1994-95 and 1995-96, compared to 16.8 billion dollars in 1993-94.

When asset sales and early debt redemptions were swept aside, the budget papers outlined structural tightening in spending cuts and revenue hikes worth 2.5 billion dollars in 1995-96.

The treasurer forecast revenues would climb from the previous financial year by 8.9 percent in real terms to 124.48 billion dollars in 1995-96 while outlays fell 2.5 percent in real terms to 123.730 billion dollars.

Willis slugged Australian businesses with a rise in corporate tax from 33 percent to 36 percent and cancelled a recent reduction in sales tax on non-luxury cars.

Australians would also have to pay a higher income tax levy for health care, which climbed from 1.4 percent to 1.5 percent.

Willis said he would boost the country's private savings pool by gradually lifting employees' compulsory pension fund contributions, also known as superannuation, by three percent of earnings by July 1999.

The government would match most employees' pension fund contributions dollar-for-dollar — a state contribution of 4.0 billion dollars a year when fully phased in.

Willis said the contribution effectively meant the government was paying tax cuts it had promised in its 1992 "One Nation" statement into employees' pension funds.

"The immediate restoration of the budget to surplus and the major enhancement to Australia's superannuation arrangements will dramatically boost our savings performance," he said.

The budget forecast gross domestic product growth would ease from 4.75 percent the year before to 3.75 percent in 1995-96.

Inflation measured by the consumer price index was expected to climb from 3.0 percent in 1994-95 to 4.0 percent in 1995-96 before easing back to 3.0 percent annually in the next three financial years.

Unemployment was forecast to drop from a year average 9.0 percent in 1994-95 to 8.25 percent in the financial year ahead.

The budget surplus would cut the government's financing task from 21.0 billion dollars in 1994-95 to just 6.2 billion dollars in the next fiscal year.

## New Zealand

### Singapore Defense Minister Pays Official Visit

*BK0905112495 Singapore Radio Corporation of Singapore in English 1000 GMT 9 May 95*

[FBIS Transcribed Text] Defense Minister Dr. Lee Boon Yang is now in New Zealand on a four-day official visit. He called on his New Zealand counterpart, Warren Cooper, and Deputy Prime Minister Donald McKinnon. Dr. Lee is accompanied by the MP for Eunos GRC [Group Representatives Committee], Charles Chong, and senior defense officials. The Singapore delegation also met officers of the New Zealand Armed Forces in Wellington.

A Ministry of Defense statement said Dr. Lee and his delegation are scheduled to visit three New Zealand defense bases at Ohaitia, Waiouru, and Devonport.

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